

GENESEE INTERMEDIATE SCHOOL DISTRICT

FLINT, MICHIGAN

AUDIT REPORT  
FOR THE YEAR ENDED JUNE 30, 2005

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*Lewis & Knopf, CPAs, P.C.*

Serving You with Trust and Integrity

September 27, 2005

## INDEPENDENT AUDITOR'S REPORT

To the Board of Education of  
Genesee Intermediate School District

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of Genesee Intermediate School District, as of and for the year ended June 30, 2005, which collectively comprise the School District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Genesee Intermediate School District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of Genesee Intermediate School District as of June 30, 2005, and the respective changes in financial position, and cash flows, (where applicable), thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report under separate cover dated September 27, 2005 on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in conjunction with this report in considering the results of our audit.

The management's discussion and analysis and budgetary comparison information on pages II - XI and 23 - 25, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Genesee Intermediate School District's basic financial statements. The accompanying other supplementary information, as identified in the table of contents, is presented for purpose of additional analysis and is not a required part of the basic financial statements. The other supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Lewis & Knopf, P.C.*

LEWIS & KNOPF, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

GENESEE INTERMEDIATE SCHOOL DISTRICT  
MANAGEMENT DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

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The Management Discussion and Analysis, a requirement of GASB 34, is intended to be the Genesee Intermediate School District's administration's discussion and analysis of the financial results for the fiscal year ended June 30, 2005.

Generally accepted accounting principles (GAAP) according to GASB 34 requires the reporting of two types of financial statements: Fund Financial Statements and District Wide Financial Statements.

**Fund Financial Statements:**

The School District's fund financial statements provide detailed information about the most significant funds – not the School District as a whole. Some funds are required to be established by State law and by bond covenants. However, the School District establishes many other funds to help it control and manage money for particular purposes (the Special Education and Vocational Funds are examples) or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money (such as bond-funded construction funds used for voter-approved capital projects). The governmental funds of the School District use the following accounting approach:

Governmental funds – All of the School District's services are reported in governmental funds. Governmental fund reporting focuses on showing how money flows into and out of funds and the balances left at year end are available for spending. They are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the operations of the School District and the services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the School District's programs. We describe the relationship (or differences) between governmental activities (reported in the statement of net assets and the statement of activities) and governmental funds in a reconciliation.

Proprietary funds use the accrual basis of accounting, the same as on the government-wide statements, therefore the statements will essentially match the business-type activities portion of the government-wide statements.

In the fund financial statements, purchased capital assets are reported as expenditures in the year of acquisition. No asset is reported. The issuance of debt is recorded as a financial resource. The current year's payments of principal and interest on long term obligations are recorded as expenditures. Future year's debt obligations are not recorded.

**District Wide Financial Statements:**

The District wide financial statements are full accrual basis statements. They report all of the District's assets and liabilities, both short and long term, regardless if they are "currently available" or not. For example, assets that are restricted for use in the Debt Funds solely for the payment of long term principal or interest are grouped with unrestricted assets of the General Fund. Capital assets and obligations of the District are reported in the Statement of Net Assets of the District wide financial statements.

One of the most important questions asked about the School District is, "As a whole, what is the School District's financial condition as a result of the year's activities?" The statement of net assets and the statement of activities, which appear first in the School District's financial statements, report information on the School District as a whole and its activities in a way that helps you answer this question. We prepare these statements to include all assets and liabilities, using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

GENESEE INTERMEDIATE SCHOOL DISTRICT  
MANAGEMENT DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

**District Wide Financial Statements: (Continued)**

These two statements report the Genesee Intermediate School District net assets – the difference between assets and liabilities, as reported in the statement of net assets – as one way to measure the School District’s financial health or financial position. Over time, increases or decreases in the School District’s net assets – as reported in the statement of activities – are indicators of whether its financial health is improving or deteriorating. The relationship between revenues and expenses is the School District’s operating results. However, the School District’s goal is to provide services to our students, not to generate profits as commercial entities do. One must consider many other nonfinancial factors, such as the quality of the education provided and the safety of the schools, to assess the overall health of the School District.

The statement of net assets and the statement of activities report the governmental activities for the School District, which encompasses all of the School District’s services, including instruction, support services. Property taxes, unrestricted State aid, and State and federal grants finance most of these activities.

**The School District as Trustee – Reporting the School District’s Fiduciary Responsibilities**

The School District is the trustee, or fiduciary, for its student activity funds. All of the School District’s fiduciary activities are reported in a separate statement of fiduciary net assets. We exclude these activities from the School District’s other financial statements because the School District cannot use these assets to finance its operations. The School District is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

**SUMMARY OF NET ASSETS:**

The following summarizes the net assets at the fiscal years ended June 30, 2005 and 2004:

	(IN MILLIONS)					
	GOVERNMENTAL		BUSINESS-TYPE			
	ACTIVITIES		ACTIVITIES		TOTAL	
	2005	2004	2005	2004	2005	2004
Current Assets	\$45.2	\$51.6	\$1.9	\$2.1	\$47.1	\$53.7
Noncurrent Assets	9.2	8.5	7.7	7.8	16.9	16.3
Total Assets	\$54.4	\$60.1	\$9.6	\$9.9	\$64.0	\$70.0
Current Liabilities	7.0	9.1	0.2	0.7	7.2	9.8
Noncurrent Liabilities	2.2	2.2	0.0	0.0	2.2	2.2
Total Liabilities	\$9.2	\$11.3	\$0.2	\$0.7	\$9.4	\$12.0
Net Assets						
Invested in Capital Assets – Net of Debt	7.2	6.5	7.7	7.8	14.9	14.3
Restricted	6.9	6.9	0.0	0.0	6.9	6.9
Unrestricted	31.2	35.4	1.7	1.4	32.9	36.8
<b><u>TOTAL NET ASSETS</u></b>	<b><u>\$45.3</u></b>	<b><u>\$48.8</u></b>	<b><u>\$9.4</u></b>	<b><u>\$9.2</u></b>	<b><u>\$54.7</u></b>	<b><u>\$58.0</u></b>

This year as well as last year, the District is able to report positive balances in all three categories of net assets, both for the District as a whole, as well as for its separate governmental and business-type activities.

GENESEE INTERMEDIATE SCHOOL DISTRICT  
MANAGEMENT DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

**RESULTS OF OPERATIONS:**

For the fiscal years ended June 30, 2005 and 2004, the District wide results of operations were:

	(IN MILLIONS)					
	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTAL	
	2005	2004	2005	2004	2005	2004
Revenues:						
Program Revenues:						
Charges for Services	\$2.3	\$1.9	\$10.5	\$10.3	\$12.8	\$12.2
Operating Grants and Contributions	26.2	24.7	0.0	0.0	26.2	24.7
General Revenues:						
Property Taxes	37.2	35.5	0.0	0.0	37.2	35.5
Grants and State Aid	22.0	21.7	0.0	0.0	22.0	21.7
Other	1.7	1.8	1.2	0.7	2.9	2.5
Total Revenues	<u>\$89.4</u>	<u>\$85.6</u>	<u>\$11.7</u>	<u>\$11.0</u>	<u>\$101.1</u>	<u>\$96.6</u>
Functions/Program Expenses:						
Instruction	16.5	14.9	0.0	0.0	16.5	14.9
Support Services	37.0	35.3	0.0	0.0	37.0	35.3
Community Services	0.3	0.3	0.0	0.0	0.3	0.3
Depreciation	0.5	0.3	0.0	0.5	0.5	0.8
Local District Services	0.0	0.0	9.8	7.8	9.8	7.8
Total Expenses	<u>\$54.3</u>	<u>\$50.8</u>	<u>\$9.8</u>	<u>\$8.3</u>	<u>\$64.1</u>	<u>\$59.1</u>
Excess Before Transfers	<u>\$35.1</u>	<u>\$34.8</u>	<u>\$1.9</u>	<u>\$2.7</u>	<u>\$37.0</u>	<u>\$37.5</u>
Transfers to Local Districts	<u>39.3</u>	<u>32.2</u>	<u>1.0</u>	<u>1.2</u>	<u>40.3</u>	<u>33.4</u>
<b><u>INCREASE IN NET ASSETS</u></b>	<b><u>(\$4.2)</u></b>	<b><u>\$2.6</u></b>	<b><u>\$0.9</u></b>	<b><u>\$1.5</u></b>	<b><u>(\$3.3)</u></b>	<b><u>\$4.1</u></b>

**FINANCIAL ANALYSIS**

Analysis of Financial Position:

During the year ended June 30, 2005, the District's Total Net Assets decreased by \$3,300,834 to a total of \$54,663,272. The largest portion of the net assets are the District's investment in capital assets. Net assets (invested in capital assets, net of related debt) increased by \$511,226 during the year due to purchases of new capital assets and principal payments on related debt exceeding depreciation. The districts Unrestricted Net Assets decreased by \$3,803,780 during the year and the restricted portion of the net assets decreased by \$8,280. The restricted Net Assets consist of the Investment in Capital Assets-net of related Debt, the restricted debt retirement funds that may only be used to pay bonded debt and restricted capital projects funds that may only be used to fund capital projects. The unrestricted net assets may be used to fund the educational services provided to students.

Analysis of Results of Operations

The district's overall expenses exceeded its revenues for the year by \$3,300,834. The total revenues increased by \$4,407,120. The major change was increases in property taxes, state aid and additional grant funds awarded. Expenditures increased by \$11,788,523. The major change was increases in pass-throughs to local districts.

GENESEE INTERMEDIATE SCHOOL DISTRICT  
MANAGEMENT DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

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**FINANCIAL ANALYSIS OF GOVERNMENT'S FUNDS – GOVERNMENTAL FUNDS**

Analysis of Financial Position

The focus of the District's governmental funds is to provide information on near term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the district's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. An analysis of changes for the governmental funds is as follows:

General Fund

The district's general fund is the chief operating fund of the district. Fund balance for the general fund decreased by \$331,936 during the year with the decrease coming primarily from a reduction in cash. Revenues for the year increased by \$227,408 primarily a result of specific programs that had resided in the enterprise fund being shifted back into general fund. Expenditures and other financing uses decreased by \$165,851, primarily a result of controlling expenditures. This was done with the anticipation of continued funding reductions in the next fiscal year and to ensure adequate fund equity for operations of the next fiscal year. The major source of general fund revenues is state aid and taxes. An analysis of the major revenue sources is as follows:

1. State of Michigan Aid (Section 81)

The State of Michigan aid provided under Section 81 of the State Aid Act provides the majority of state aid to the District's General Fund. Funding to the District under Section 81 is provided to comply with the requirements of the State Aid Act and to provide technical assistance to local districts as authorized by the intermediate school board. Funding under Section 81 was \$4,139,132 for the fiscal year a decrease of \$102,600 from the previous year.

2. Property Taxes Levied For General Operations (General Fund Homestead and Non-Homestead Taxes)

The District levies 0.1636 mills of property taxes for operations (General Fund) on Homestead and Non-Homestead Properties. Under Michigan law, the taxable levy is based on the taxable valuation of properties. Annually, the taxable valuation increase in property values is capped at the rate of the prior year's CPI increase or 5 percent, whichever is less. At the time of sale, a property's taxable valuation is readjusted to the State Equalized Value, which is, theoretically, 50 percent of the market value. The District's property tax revenue for the 2004-2005 fiscal year was \$1,720,369. An increase of \$82,220 from the prior year.

Special Education Fund

Unreserved fund balance for the special education fund decreased by \$2,947,858 during the year with the decrease coming primarily from a reduction in cash. Revenues for the year increased by \$4,000,194 primarily from increases in property taxes collected, state aid allocation for the special education transportation program, and Federal I.D.E.A. grant dollars. Expenditures and other financing uses increased by \$8,550,361, primarily due to the increase in transfers to local districts for I.D.E.A. and utilization of deferred revenue from the prior fiscal year. The major source of special education revenues is Federal grants, state aid and taxes. An analysis of the major revenue sources is as follows:

1. State of Michigan Aid (Section 51)

The State of Michigan aid provided under Section 51 of the State Aid Act provides the majority of state aid to the District's Special Education Fund. Funding to the District under Section 51 is provided to reimburse the District for unreimbursed costs of special education programs, services and special education personnel. Funding under Section 51 was \$10,378,382 for the fiscal year an increase of \$1,693,895 from the previous year.

2. Property Taxes Levied For Special Education

The District levies 2.4091 mills of property taxes for operations (Special Education Fund) on Homestead and Non-Homestead Properties. Under Michigan law, the taxable levy is based on the taxable valuation of properties. Annually, the taxable valuation increase in property values is capped at the rate of the prior year's CPI increase or 5 percent, whichever is less. At the time of sale, a property's taxable valuation is readjusted to the State Equalized Value, which is, theoretically, 50 percent of the market value. The District's property tax revenue for the 2004-2005 fiscal year was \$25,289,615. An increase of \$1,170,079 from the prior year.



GENESEE INTERMEDIATE SCHOOL DISTRICT  
MANAGEMENT DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

**FINANCIAL ANALYSIS OF GOVERNMENT'S FUNDS – GOVERNMENTAL FUNDS (Continued)**

Analysis of Financial Position (Continued)

Career Technical Education Fund

Unreserved fund balance for the career technical education fund decreased by \$1,528,619 during the year with the decrease coming primarily from a reduction in cash. Revenues for the year increased by \$867,210 primarily from the increases in property taxes and state aid. Expenditures and other financing uses increased by \$3,217,480, primarily due to transfers to the capital projects fund and increased transfers to the local districts. The major source of career technical education revenues is taxes. An analysis of the major revenue sources is as follows:

1. State of Michigan Aid (Sections 61 and 62)

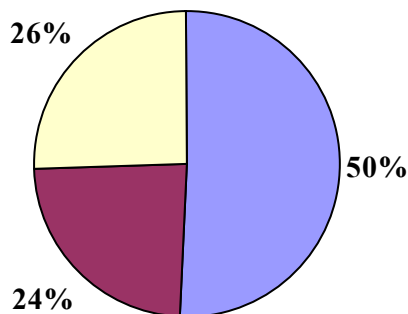
The State of Michigan aid provided under Sections 61 and 62 of the State Aid Act provides the majority of state aid to the District's Vocational Education Fund. Funding to the District under Sections 61 and 62 is provided to reimburse, on an added cost basis, the District for unreimbursed costs of its vocational-technical education center and vocational-technical programs and services. Funding under Sections 61 and 62 was \$2,088,227 for the fiscal year an increase of \$213,777 from the previous year.

2. Property Taxes Levied For Vocational Education

The District levies 0.9634 mills of property taxes for operations (Vocational Education Fund) on Homestead and Non-Homestead Properties. Under Michigan law, the taxable levy is based on the taxable valuation of properties. Annually, the taxable valuation increase in property values is capped at the rate of the prior year's CPI increase or 5 percent, whichever is less. At the time of sale, a property's taxable valuation is readjusted to the State Equalized Value, which is, theoretically, 50 percent of the market value. The District's non-homestead property tax revenue for the 2004-2005 fiscal year was \$10,113,027. An increase of \$466,908 from the prior year.

**Revenues by Source – Governmental Activities**

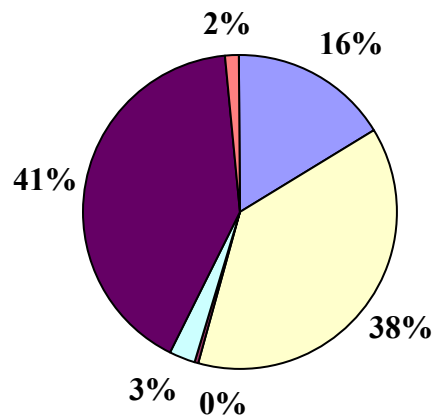
**Total Revenues = \$90,543,306**



Local State Federal

**Expenses by Source – Governmental Activities**

**Total Expenses = \$95,356,859**



Instruction Support  
 Comm. Services Capital Projects  
 Transfers-Districts Other

GENESEE INTERMEDIATE SCHOOL DISTRICT  
MANAGEMENT DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

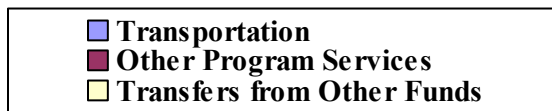
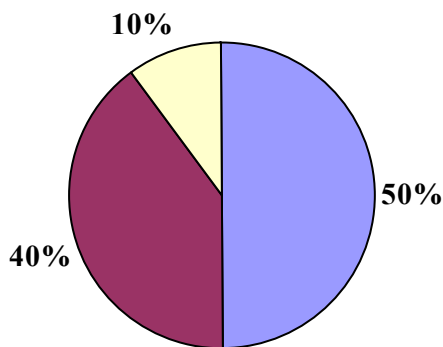
**FINANCIAL ANALYSIS OF BUSINESS-TYPE ACTIVITIES**

Enterprise fund

Net assets for the enterprise fund increased by \$198,855 during the year with the increase coming primarily from a increase in investment in capital assets, net of related debt. Revenues for the year increased by \$602,887 primarily as a result from transfers from other funds. The major transfer included the establishment of a career technical education capital project fund. Expenditures and other financing uses increased by \$1,929,241 primarily due to equity transfers to other funds due to moving specified activities back to the originating fund.

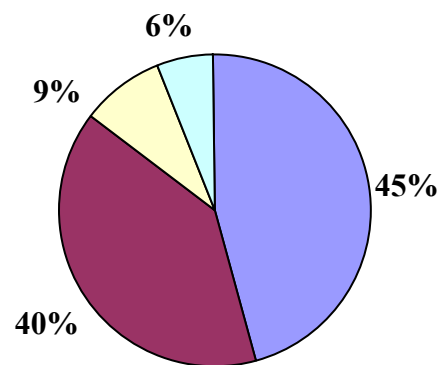
**Revenues by Source – Business-Type Activities**

**Total Revenues = \$11,651,836**



**Expenses by Source – Business-Type Activities**

**Total Expenses = \$11,452,981**



**GENERAL FUND BUDGETARY HIGHLIGHTS:**

**GENERAL FUND BUDGET VS. ACTUAL**

<u>Fiscal Year</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Original & Final <u>Budget %</u>	Variance Actual & Final Budget %
Revenue	\$11,002,670	\$16,100,212	\$15,465,624	46.33	3.94
Expenditures	13,229,074	16,467,511	15,797,560	24.48	4.07
<b><u>TOTAL</u></b>	<b><u>(\$2,226,404)</u></b>	<b><u>(\$367,299)</u></b>	<b><u>(\$331,936)</u></b>		

GENESEE INTERMEDIATE SCHOOL DISTRICT  
MANAGEMENT DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

**SPECIAL EDUCATION FUND BUDGETARY HIGHLIGHTS:**

**SPECIAL EDUCATION FUND BUDGET VS. ACTUAL**

<u>Fiscal Year</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Original & Final <u>Budget %</u>	Variance Actual & Final Budget %
Revenue	\$53,207,010	\$61,145,109	\$60,793,526	14.92	0.57
Expenditures	58,004,848	64,294,170	63,741,384	10.84	0.86
<b><u>TOTAL</u></b>	<b><u>(\$4,797,838)</u></b>	<b><u>(\$3,149,061)</u></b>	<b><u>(\$2,947,858)</u></b>		

**CAREER TECHNICAL EDUCATION FUND BUDGETARY HIGHLIGHTS:**

**CAREER TECHNICAL EDUCATION FUND BUDGET VS. ACTUAL**

<u>Fiscal Year</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Original & Final <u>Budget %</u>	Variance Actual & Final Budget %
Revenue	\$13,562,632	\$14,165,430	\$14,061,967	4.44	0.73
Expenditures	14,527,272	15,853,575	15,590,586	9.13	1.66
<b><u>TOTAL</u></b>	<b><u>(\$964,640)</u></b>	<b><u>(\$1,688,145)</u></b>	<b><u>(\$1,528,619)</u></b>		

**ANALYSIS OF BUDGETS:**

The Uniform Budget Act of the State of Michigan requires that the local Board of Education approve the original budget for the upcoming fiscal year prior to July 1, the start of the fiscal year.

As a matter of practice, Genesee Intermediate School District amends its budget during the school year. The June, 2005 budget amendment was the final budget for the fiscal year. Significant budget variations were as follows:

Original Budget vs. Final Budget

General Fund

Revenues: The general fund proposed budget estimated revenues at \$11 million dollars. The estimated revenue was adjusted to \$16.1 million dollars. The significant adjustments were a result of new grant awards and the deferred grant awards utilized during the fiscal year.

Expenditures: The general fund adopted expenditures were budgeted at \$13.2 million dollars. The final amendment for general fund was \$16.5 million dollars. The significant adjustments were a result of grant awards in support of the Health, Safety and Nutrition department and the utilization of deferred revenue from prior fiscal year.

GENESEE INTERMEDIATE SCHOOL DISTRICT  
MANAGEMENT DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

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**ANALYSIS OF BUDGETS: (Continued)**

Special Education Fund

Revenues: The special education fund proposed budget estimated revenues at \$53.2 million dollars. The estimated revenue was adjusted to \$61.1 million dollars. The original budget was made anticipating more severe reductions than what actually occurred in the area of special education. The significant adjustments were a result of increased funding for special education transportation and federal I.D.E.A..

Expenditures: The special education fund adopted expenditures were budgeted at \$58 million dollars. The final amendment for the special education fund was \$ 64.3 million dollars. The significant adjustments were a result of increased federal grant awards and an increase in the area of transfers to local districts.

Career Technical Education Fund

Revenues: The career technical education fund proposed budget estimated revenues at \$13.6 million dollars. The estimated revenue was adjusted to \$14.2 million dollars. The original budget was made anticipating more severe reductions than what actually occurred in the area of vocational technical education. The significant adjustments were a result of property tax collections and the move of specific programs from the enterprise fund back to the originating fund.

Expenditures: The career technical education fund adopted expenditures were budgeted at \$14.5 million dollars. The final amendment for the career technical education fund was \$15.9 million dollars. The significant adjustments were a result of the addition of the GASC transportation consortium expenditures and the transfer to other funds for the establishment of a career technical education capital project fund in support of that program.

Actual Results vs. Final Budget

General Fund

Revenues: The general fund actual revenue was \$15.5 million dollars. The final budget was estimated at \$16.1 million dollars. The variance between the actual and final budget was due to the deferral of Local, Federal and State grants received in the current fiscal year.

Expenditures: The final budgeted expenditures and other financing sources for general fund were \$16.5 million dollars. The actual expenditures were \$15.8 million dollars. The variance was due to the anticipation of fully expending grant revenue within the fiscal year. Expenditures will be incurred the next fiscal year.

Special Education Fund

Revenues: The special education fund actual revenue was \$ 60.8 million dollars. The final budget was estimated at \$61.1 million dollars. The variance between the actual and final budget was due to the deferral of Federal grants received in the current fiscal year.

Expenditures: The final budgeted expenditures and other financing uses for the special education fund were \$64.3 million dollars. The actual expenditures were \$63.8 million dollars. The variance is due to the anticipation of fully expending grant revenue within the fiscal year. Expenditures will be incurred the next fiscal year.

GENESEE INTERMEDIATE SCHOOL DISTRICT  
MANAGEMENT DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

Actual Results vs. Final Budget (Continued)

Career Technical Education Fund

Revenues: The career technical education fund actual revenue was \$14.1 million dollars. The final budget was estimated at \$14.2. The variance between the actual and final budget was due to tax revenue budgeted but not collected within the fiscal year.

Expenditures: The final budgeted expenditures and other financing sources for the career technical education fund was \$15.9 million dollars. The actual expenditures were \$15.6 million dollars. The variance was a result of not fully expending dollars budgeted in the support services programs within the ISD.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

A. Debt, Principal Payments

The District made principal payments on bonded, long term debt obligations that reduced the amount of the District's long term liabilities as follows:

	Principal Balance 7-01-04	Increases 6-30-05	Principal Payments 6-30-05	Principal Balance 6-30-05
<u>Governmental Activities</u>				
Bonds Payable	\$2,012,647	\$0	\$0	\$2,012,647
Compensated Absences Payable	250,418	41,642	0	292,060
<u>Total Governmental Activities</u>	<u>\$2,263,065</u>	<u>\$41,642</u>	<u>\$0</u>	<u>\$2,304,707</u>
<u>Business Type Activities</u>				
Compensated Absences Payable	\$34,991	\$6,939	\$0	\$41,930

B. Capital Assets

The district's net investment in capital assets increased by \$663,837 during the fiscal year. This can be summarized as follows:

	Balance 7-1-04	Additions	Deductions	Balance 6-30-05
<u>Governmental Activities</u>				
Capital Assets - Net of Depreciation	<u>\$8,450,039</u>	<u>\$796,984</u>	<u>\$0</u>	<u>\$9,247,023</u>
<u>Business-Type Activities</u>				
Capital Assets - Net of Depreciation	<u>\$7,789,047</u>	<u>(\$133,147)</u>	<u>\$0</u>	<u>\$7,655,900</u>

Significant capital asset additions included building renovations, lighting and paving projects and purchase of buses and technology equipment for GENNET.

GENESEE INTERMEDIATE SCHOOL DISTRICT  
MANAGEMENT DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

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**CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide a general overview of the Genesee Intermediate School District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to:

Cynthia McCain  
Executive Director of Finance  
Genesee Intermediate School District  
2413 West Maple Avenue, Flint, Michigan 48507-3493  
Fax (810) 591-4864, Office Telephone (810) 591-4400  
or Email - [cmccain@geneseeisd.org](mailto:cmccain@geneseeisd.org)

GENESEE INTERMEDIATE SCHOOL DISTRICT  
STATEMENTS OF NET ASSETS  
JUNE 30, 2005 AND 2004

	2005			2004
	Governmental Activities	Business-Type Activities	Total	Total
<u>ASSETS</u>				
<u>CURRENT ASSETS</u>				
Cash and Cash Equivalents	\$33,180,178	\$1,294,616	\$34,474,794	\$39,791,487
Investments	27,969	0	27,969	
Taxes Receivable	24,089	0	24,089	173,085
Accounts Receivable	928,058	271,894	1,199,952	3,900,152
Due from Other Governmental Units	10,507,439	0	10,507,439	8,899,578
Internal Balances	0	0	0	5,411
Inventory	13,340	0	13,340	14,813
Prepaid Expenses	533,586	346,407	879,993	914,258
Total Current Assets	\$45,214,659	\$1,912,917	\$47,127,576	\$53,698,784
<u>NON-CURRENT ASSETS</u>				
Construction in Progress	0	0	0	152,611
Capital Assets	20,272,063	12,447,070	32,719,133	29,758,703
Less: Accumulated Depreciation	(11,025,040)	(4,791,170)	(15,816,210)	(13,519,617)
Total Noncurrent Assets	\$9,247,023	\$7,655,900	\$16,902,923	\$16,391,697
<u>TOTAL ASSETS</u>	\$54,461,682	\$9,568,817	\$64,030,499	\$70,090,481
<u>LIABILITIES</u>				
<u>CURRENT LIABILITIES</u>				
Accounts Payable	2,992,944	165,186	3,158,130	5,176,451
Due to Other Governmental Units	316,773	0	316,773	720,284
Internal Balances	0	0	0	5,411
Salaries Payable	2,030,448	0	2,030,448	1,807,813
Accrued Expenses	456,905	0	456,905	378,544
Deferred Revenue	1,058,334	0	1,058,334	1,739,816
Current Portion of Long-Term Obligations	152,488	0	152,488	0
Total Current Liabilities	\$7,007,892	\$165,186	\$7,173,078	\$9,828,319
<u>NON-CURRENT LIABILITIES</u>				
Noncurrent Portion of Long-Term Obligations	2,152,219	41,930	2,194,149	2,298,056
<u>TOTAL LIABILITIES</u>	\$9,160,111	\$207,116	\$9,367,227	\$12,126,375
<u>NET ASSETS</u>				
<u>NET ASSETS</u>				
Invested in Capital Assets, Net of Related Debt	7,234,376	7,655,900	14,890,276	14,379,050
Restricted for: Capital Projects	6,887,686	0	6,887,686	6,895,966
Unrestricted	31,179,509	1,705,801	32,885,310	36,689,090
<u>TOTAL NET ASSETS</u>	\$45,301,571	\$9,361,701	\$54,663,272	\$57,964,106

See accompanying notes to the basic financial statements.

GENESEE INTERMEDIATE SCHOOL DISTRICT  
STATEMENTS OF ACTIVITIES  
JUNE 30, 2005 AND 2004

FUNCTIONS/PROGRAMS	2005						2004
	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			Net (Expense) Revenue & Change in Net Assets
	Expenses	Charges For Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total	Total
Governmental Activities:							
Instruction	\$16,462,576	\$0	\$0	(\$16,462,576)	\$0	(\$16,462,576)	(\$14,957,287)
Support Services	36,991,249	2,282,179	26,247,070	(8,462,000)	0	(8,462,000)	(8,788,512)
Community Services	295,843	0	0	(295,843)	0	(295,843)	(288,804)
Transfers to Local Districts	39,308,010	0	0	(39,308,010)	0	(39,308,010)	(32,162,211)
Food Service	34,372	37,512	0	3,140	0	3,140	1,701
Interest - Bonded Debt	0	0	0	0	0	0	4,665
Depreciation - Unallocated	466,166	0	0	(466,166)	0	(466,166)	(271,761)
Total Governmental Activities	\$93,558,216	\$2,319,691	\$26,247,070	(\$64,991,455)	\$0	(\$64,991,455)	(\$56,462,209)
Business-Type Activities:							
Local District Services	10,784,577	10,463,605	0	0	(320,972)	(320,972)	767,853
<u>TOTALS</u>	<u>\$104,342,793</u>	<u>\$12,783,296</u>	<u>\$26,247,070</u>	<u>(\$64,991,455)</u>	<u>(\$320,972)</u>	<u>(\$65,312,427)</u>	<u>(\$55,694,356)</u>
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes				37,192,744	0	37,192,744	35,464,969
State Aid				20,610,416	0	20,610,416	19,295,589
Grants and Contributions Not Restricted to							
Specific Programs				1,360,217	0	1,360,217	2,417,032
Investment Earnings				1,006,523	2,389	1,008,912	543,283
Miscellaneous				1,806,645	32,659	1,839,304	2,054,052
Internal Transfers				(1,153,183)	1,153,183	0	0
Total General Revenues and Transfers				<u>\$60,823,362</u>	<u>\$1,188,231</u>	<u>\$62,011,593</u>	<u>\$59,774,925</u>
Change in Net Assets				<u>(\$4,168,093)</u>	<u>\$867,259</u>	<u>(\$3,300,834)</u>	<u>\$4,080,569</u>
Net Assets - Beginning				48,801,260	9,162,846	57,964,106	53,883,537
Residual Equity Transfer				668,404	(668,404)	0	0
<u>Net Assets - Ending</u>				<u>\$45,301,571</u>	<u>\$9,361,701</u>	<u>\$54,663,272</u>	<u>\$57,964,106</u>

See accompanying notes to the basic financial statements.



GENESEE INTERMEDIATE SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2005

	General Fund	Special Education Fund	Career Technical Education Fund
<u>ASSETS</u>			
Cash and Cash Equivalents	\$8,089,006	\$13,471,359	\$4,427,672
Investments	0	27,969	0
Property Taxes Receivable	1,115	16,411	6,563
Accounts Receivable	440,508	387,733	99,817
Due From Other Governmental Units	1,481,123	8,141,286	885,030
Due From Other Funds	0	2,041,209	30
Inventory	10,401	2,939	0
Prepaid Expenses	155,393	366,801	11,392
<u>TOTAL ASSETS</u>	<u>\$10,177,546</u>	<u>\$24,455,707</u>	<u>\$5,430,504</u>
<u>LIABILITIES</u>			
Accounts Payable	\$587,427	\$1,883,545	\$223,554
Due to Other Governmental Units	0	299,001	17,772
Due to Other Funds	2,041,239	0	0
Salaries Payable	364,877	1,665,571	0
Accrued Expenses	81,863	375,042	0
Deferred Revenue	1,057,984	350	0
Total Liabilities	\$4,133,390	\$4,223,509	\$241,326
<u>FUND BALANCES</u>			
Reserved For:			
Inventory	10,401	2,939	0
Capital Projects	0	0	0
Unreserved:			
Undesignated, Reported In:			
General Fund	6,033,755	0	0
Special Education Fund	0	20,229,259	0
Career Technical Education Fund	0	0	5,189,178
Special Revenue Funds	0	0	0
Total Fund Balances	\$6,044,156	\$20,232,198	\$5,189,178
<u>TOTAL LIABILITIES AND FUND BALANCES</u>	<u>\$10,177,546</u>	<u>\$24,455,707</u>	<u>\$5,430,504</u>

See accompanying notes to the basic financial statements.

GENESEE INTERMEDIATE SCHOOL DISTRICT  
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO  
NET ASSETS OF GOVERNMENTAL ACTIVITIES  
JUNE 30, 2005

Other Governmental Funds	Total Governmental Funds		
		Total Governmental Fund Balances:	\$38,359,255
		Amounts reported for governmental activities in the statement of net assets are different because:	
\$7,192,141	\$33,180,178	Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. The cost of the assets is \$20,272,063 and the accumulated depreciation is \$11,025,039	9,247,023
0	27,969		
0	24,089		
0	928,058		
0	10,507,439		
0	2,041,239	Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year end consist of:	
0	13,340		
0	533,586		
<u>\$7,192,141</u>	<u>\$47,255,898</u>	Bonds Payable	\$2,012,647
		Compensated Absences Payable	<u>292,060</u>
		Total Long-Term Liabilities	<u>(2,304,707)</u>
\$298,418	\$2,992,944		
0	316,773	<u>TOTAL NET ASSETS -</u>	
0	2,041,239	<u>GOVERNMENTAL ACTIVITIES</u>	<u>\$45,301,571</u>
0	2,030,448		
0	456,905		
0	1,058,334		
<u>\$298,418</u>	<u>\$8,896,643</u>		
0	13,340		
6,887,686	6,887,686		
0	6,033,755		
0	20,229,259		
0	5,189,178		
6,037	6,037		
<u>\$6,893,723</u>	<u>\$38,359,255</u>		
<u>\$7,192,141</u>	<u>\$47,255,898</u>		

GENESEE INTERMEDIATE SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2005

	General Fund	Special Education Fund	Career Technical Education Fund	Other Governmental Funds
<u>REVENUES</u>				
Local Sources	\$6,671,432	28,493,037	\$10,397,733	\$222,189
State Sources	5,600,808	13,871,136	2,088,227	0
Federal Sources	3,193,384	18,429,353	1,576,007	0
Total Revenues	\$15,465,624	\$60,793,526	\$14,061,967	\$222,189
<u>EXPENDITURES</u>				
Current:				
Instruction	1,739,776	13,931,156	19,535	0
Student Services	2,116,664	7,901,492	806,846	0
Instructional Staff	5,092,013	1,077,051	3,451,583	0
General Administration	877,962	1,042,201	177,794	0
School Administration	514,535	519,405	0	0
Business Administration	318,196	694,434	157,928	0
Operation & Maintenance of Plant	640,207	1,589,579	130,727	0
Transportation	123,611	4,478,780	56,729	0
Support Services - Other	3,520,555	647,950	112,033	0
Community Services	0	295,843	0	0
Food Service	0	0	0	34,372
Capital Outlay	0	0	0	2,582,911
Total Expenditures	\$14,943,519	\$32,177,891	\$4,913,175	\$2,617,283
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$522,105	\$28,615,635	\$9,148,792	(\$2,395,094)
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers to Local Districts	(610,243)	(29,020,356)	(9,677,411)	0
Other Transfers	(243,798)	0	0	0
Transfers to Other Funds (Net)	0	(2,543,137)	(1,000,000)	2,389,954
Total Other Financing Sources (Uses)	(\$854,041)	(\$31,563,493)	(\$10,677,411)	\$2,389,954
Net Change in Fund Balance	(\$331,936)	(\$2,947,858)	(\$1,528,619)	(\$5,140)
<u>FUND BALANCE - BEGINNING</u>	5,725,437	23,107,486	6,772,618	6,898,863
<u>RESIDUAL EQUITY TRANSFER</u>	650,655	72,570	(54,821)	0
<u>FUND BALANCE - ENDING</u>	\$6,044,156	\$20,232,198	\$5,189,178	\$6,893,723

See accompanying notes to the basic financial statements.

GENESEE INTERMEDIATE SCHOOL DISTRICT  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2005

Total	Total net change in fund balances - governmental funds	(\$4,813,553)
Governmental	Amounts reported for governmental activities in the statement of	
Funds	activities are different because:	
\$45,784,391	Governmental funds report capital outlays as expenditures. However,	
21,560,171	in the statement of activities, the cost of those assets is allocated	
23,198,744	over their estimated useful lives as depreciation expense. This is	
\$90,543,306	the amount by which capital outlay exceeded depreciation in the	
	current period.	687,102
15,690,467	(Increase) in accrued compensated absences	(41,642)
10,825,002		
9,620,647	<u>CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES</u>	<u>(\$4,168,093)</u>
2,097,957		
1,033,940		
1,170,558		
2,360,513		
4,659,120		
4,280,538		
295,843		
34,372		
2,582,911		
\$54,651,868		
\$35,891,438		
(39,308,010)		
(243,798)		
(1,153,183)		
(\$40,704,991)		
(\$4,813,553)		
42,504,404		
668,404		
\$38,359,255		

GENESEE INTERMEDIATE SCHOOL DISTRICT  
STATEMENT OF NET ASSETS  
PROPRIETARY FUND  
JUNE 30, 2005

	<u>Local District Services</u>
<u>ASSETS</u>	
<u>CURRENT ASSETS</u>	
Cash	\$1,294,616
Accounts Receivable	271,894
Prepaid Expenses	346,407
Total Current Assets	<u>\$1,912,917</u>
<u>NON-CURRENT ASSETS</u>	
Capital Assets:	
Construction in Progress	
Equipment	6,283,616
Buses	6,163,454
Less Accumulated Depreciation	<u>(4,791,170)</u>
Total Noncurrent Assets	<u>\$7,655,900</u>
<u>TOTAL ASSETS</u>	\$9,568,817
<u>LIABILITIES</u>	
<u>CURRENT LIABILITIES</u>	
Accounts Payable	\$165,186
<u>NON-CURRENT LIABILITIES</u>	
Compensated Absences	<u>41,930</u>
Total Liabilities	<u>\$207,116</u>
<u>NET ASSETS</u>	
<u>NET ASSETS</u>	
Invested in Capital Assets - Net of Related Debt	7,655,900
Unrestricted	<u>1,705,801</u>
<u>TOTAL NET ASSETS</u>	<u><u>\$9,361,701</u></u>

See accompanying notes to the basic financial statements.

GENESEE INTERMEDIATE SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS  
PROPRIETARY FUND  
JUNE 30, 2005

	<u>Local District Services</u>
<u>OPERATING REVENUES</u>	
Charges for Services	\$10,463,605
Other Miscellaneous Revenue	<u>32,659</u>
Total Operating Revenues	<u>\$10,496,264</u>
<u>OPERATING EXPENSES</u>	
Salaries & Wages	3,400,276
Employee Benefits	1,619,688
Purchased Services	1,863,240
Supplies & Materials	613,802
Capital Outlay	710,786
Other Expenses	46,690
Depreciation Expense	<u>1,497,011</u>
Total Operating Expenses	<u>\$9,751,493</u>
Operating Income	<u>\$744,771</u>
<u>NONOPERATING REVENUES (EXPENSES)</u>	
Interest Earned	2,389
Interest Expense	<u>(7,060)</u>
Total Nonoperating Revenues (Expenses)	<u>(\$4,671)</u>
<u>INCOME BEFORE CONTRIBUTIONS AND TRANSFERS</u>	<u>\$740,100</u>
<u>CAPITAL CONTRIBUTIONS AND TRANSFERS</u>	
Transfers from Other Funds	1,153,183
Transfers to Local Districts	<u>(1,026,024)</u>
Total Capital Contributions and Transfers	<u>\$127,159</u>
Change in Net Assets	<u>\$867,259</u>
<u>NET ASSETS - BEGINNING</u>	<u>9,162,846</u>
<u>RESIDUAL EQUITY TRANSFER</u>	<u>(668,404)</u>
<u>NET ASSETS - ENDING</u>	<u><u>\$9,361,701</u></u>

See accompanying notes to the basic financial statements.

GENESEE INTERMEDIATE SCHOOL DISTRICT  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUND  
FOR THE YEAR ENDED JUNE 30, 2005

	<u>Local District Services</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>	
Receipts from Local Districts	\$11,811,510
Receipts from Other Sources	38,070
Payments to Suppliers	(3,674,888)
Payments to Employees	(5,013,025)
Net Cash Provided by Operating Activities	<u>\$3,161,667</u>
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</u>	
Transfers to Other Districts	(1,026,024)
Transfers from Other Funds	484,779
Net Cash Provided by Noncapital Financing Activities	<u>(\$541,245)</u>
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>	
Purchases of Capital Assets	(1,321,135)
Interest Paid on Capital Debt	(7,060)
Net Cash (Used In) Capital and Related Financing Activities	<u>(\$1,328,195)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>	
Interest Earned	<u>2,389</u>
<u>NET (DECREASE) IN CASH AND CASH EQUIVALENTS</u>	\$1,294,616
<u>BALANCES - BEGINNING OF YEAR</u>	<u>0</u>
<u>BALANCES - END OF YEAR</u>	<u><u>\$1,294,616</u></u>
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used)</u>	
<u>By Operating Activities</u>	
Operating Income	\$744,771
Adjustments to Reconcile Operating Income to Net Cash	
Provided (Used) by Operating Activities:	
Depreciation Expense	1,497,011
Change in Assets and Liabilities:	
Receivables	1,353,316
Inventory	2,083
Prepays	144,583
Compensated Absences	6,939
Payables	(587,036)
Net Cash Provided By Operating Activities	<u><u>\$3,161,667</u></u>

See accompanying notes to the basic financial statements.

GENESEE INTERMEDIATE SCHOOL DISTRICT  
STATEMENT OF FIDUCIARY NET ASSETS  
FIDUCIARY FUND  
JUNE 30, 2005

<hr/>	
	Trust & Agency
<u>ASSETS</u>	
Cash and Cash Equivalents	\$137,641
<u>TOTAL ASSETS</u>	<u>\$137,641</u>
<u>LIABILITIES</u>	
Due to Student Groups	\$103,479
Due to Employee Groups	34,162
<u>TOTAL LIABILITIES</u>	<u>\$137,641</u>

See accompanying notes to the basic financial statements.



GENESEE INTERMEDIATE SCHOOL DISTRICT - FLINT, MICHIGAN  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2005

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1) DESCRIPTION OF THE DISTRICT AND REPORTING ENTITY

The School District operates under a locally elected five-member Board form of government and provides educational and supportive services as mandated by the State of Michigan and/or federal agencies. This Board of Education controls the School District's instructional and support facilities which provides special education services and support services to the students of the twenty-one local educational agencies and chartered schools within its borders.

REPORTING ENTITY

A reporting entity is comprised of the primary government, component units and other organizations that are included to ensure the financial statements are not misleading. The primary government of the School District consists of all funds, departments, boards and agencies that are not legally separate from the School District. For Genesee Intermediate School District, this includes general operations, special education services, career technical education services, food service and student and supportive service activities of the School District.

Component units are legally separate organizations for which the School District is financially accountable. Component units may also include organizations that are fiscally dependent on the School District in that the School District approves their budget, the issuance of their debt, or the levying of taxes. The School District has no component units.

2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Genesee Intermediate School District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The School District also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, to its governmental and business-type activities and to its proprietary funds provided they do not conflict with or contradict GASB pronouncements. The most significant of the School District's accounting policies are described below:

A) FUND ACCOUNTING

The School District uses funds to maintain its financial records during the fiscal year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain School District functions or activities. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The various funds of the School District are grouped into the categories governmental, proprietary and fiduciary.

Governmental Funds – Governmental funds focus on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the School District's major governmental funds:

General Fund – The general fund is used to account for all financial resources except those required to be accounted for in another fund. The general fund balance is available for any purpose provided it is expended or transferred according to the laws of the State of Michigan.

Special Education Fund – The special education fund is used to account for financial resources to be used specifically for providing special education services to students within the School District.

Career Technical Education Fund - The career technical education fund is used to account for financial resources to be used specifically for providing vocational education services to students within the School District.

GENESEE INTERMEDIATE SCHOOL DISTRICT - FLINT, MICHIGAN  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2005

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2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A) FUND ACCOUNTING (Continued)

Capital Projects Fund – The capital projects fund accounts for financial resources to be used for the acquisition, construction, or improvement of capital facilities other than those financed by proprietary funds.

The other governmental funds (non-major funds) of the School District account for other resources whose use is restricted to a particular purpose.

Enterprise Funds – Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. The School District's enterprise fund is:

Local District Services Fund – This fund accounts for a myriad of services provided to local school districts on a fee basis. The major fee for service activities are transportation services for special education and the county-wide interactive voice, data and video network (GENNET).

Fiduciary Funds – Fiduciary fund reporting focuses on net assets and changes in net assets. The District's fiduciary funds consist of agency funds which are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The agency funds are used to account for amount held for student and employee groups.

B) BASIS OF PRESENTATION

Government-wide Financial Statements – The statement of net assets and the statement of activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the School District that are governmental and those that are considered business-type activities.

The government-wide statements are prepared using the economic resources measurement focus. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements therefore include reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the School District and for each function or program of the School District's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and are therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues of the School District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the School District.

Fund Financial Statements – Fund financial statements report detailed information about the School District. The focus of governmental and enterprise fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Internal service funds are combined and the totals are presented in a single column on the face of the proprietary fund statements. Fiduciary funds are reported by fund type.

GENESEE INTERMEDIATE SCHOOL DISTRICT - FLINT, MICHIGAN  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2005

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2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B) BASIS OF PRESENTATION (Continued)

The accounting and reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources measurement focus. The financial statements for governmental funds are a balance sheet, which generally includes only current assets and current liabilities, and a statement of revenues, expenditures and changes in fund balances, which reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources.

All proprietary fund types are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the statement of net assets. The statement of changes in fund net assets presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the School District finances and meets the cash flow needs of its proprietary activities.

Fiduciary funds are reported using the economic resources measurement focus.

C) BASIS OF ACCOUNTING

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Proprietary and fiduciary funds also use the accrual basis of accounting.

Revenues – Exchange and Non-exchange Transactions – Revenues resulting from exchange transactions, in which each party receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenues are recorded in the fiscal year in which the resources are measurable and available. Available, means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the School District, available means expected to be received within sixty days of the fiscal year-end.

Nonexchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the School District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On a modified accrual basis, revenues from nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year-end: property taxes available in advance, interest, tuition, grants, student fees and rentals.

Deferred Revenue – Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Grants and entitlements received before the eligibility requirements are met are recorded as deferred revenue. The long-term portion of the receivable for fees charged to local districts for the GENNET project have also been recorded as deferred revenue.

GENESEE INTERMEDIATE SCHOOL DISTRICT - FLINT, MICHIGAN  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2005

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2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C) BASIS OF ACCOUNTING (Continued)

Expenses/Expenditures – On the accrual basis of accounting, expenses are recognized at the time they are incurred. The fair value of donated commodities used during the year is reported in the operating statement as an expense with a like amount reported as donated commodities revenue. Unused donated commodities are reported as deferred revenue.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation, are not recognized in governmental funds.

D) CASH AND CASH EQUIVALENTS

Cash and cash equivalents include amounts in demand deposits and certificates of deposit.

The District reports its investments in accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools* and No. 40 *Deposits and Investment Risk Disclosures*. Under these standards, certain investments are valued at fair value as determined by quoted market prices, or by estimated fair values when quoted market prices are not available. The standards also provide that certain investments are valued at cost (or amortized cost) when they are of a short-term duration, the rate of return is fixed, and the district intends to hold the investment until maturity. Accordingly, investments in banker acceptances and commercial paper are recorded at amortized cost.

State statutes authorize the District to invest in bonds and other direct and certain indirect obligations of the U.S. Treasury, certificates of deposit, savings accounts, deposit accounts, or depository receipts of a bank, savings and loan association, or credit union, which is a member of the Federal Deposit Insurance Corporation, Federal Savings and Loan Insurance Corporation, or National Credit Union Administration, respectively; in commercial paper rated at the time of purchase within the three highest classifications established by no less than two standard rating services and which matures not more than 270 days after the date of purchase. The District is also authorized to invest in U.S. Government or federal agency obligation repurchase agreements, bankers' acceptances of U.S. banks, and mutual funds composed of investments as outlined above.

E) PREPAID ASSETS

Payments made to vendors for services that will benefit periods beyond June 30, 2005, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

F) INVENTORY

On government-wide financial statements are stated at cost and are expensed when used.

On fund financial statements inventories are stated at cost. Inventory in governmental funds consists of expendable supplies held for consumption. The cost of inventory items is recorded as an expenditure in the governmental fund types when purchased.

G) CAPITAL ASSETS

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net assets but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the government-wide statement of net assets and in the respective funds.

GENESEE INTERMEDIATE SCHOOL DISTRICT - FLINT, MICHIGAN  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2005

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2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G) CAPITAL ASSETS (Continued)

All capital assets are capitalized at cost (or estimated historical cost) using a \$5,000 capitalization threshold. The School District does not possess any infrastructure. Improvements are capitalized; the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend an assets life are not. Interest incurred during the construction of capital assets is also capitalized.

All reported capital assets are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>
Buildings and Improvements	20 – 50 years
Furniture and Equipment	5 – 10 years
Vehicles and Buses	5 – 10 years

H) INTERFUND BALANCES

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as “interfund receivables/payables.” These amounts are eliminated in the governmental and business-type activities columns of the statement of net assets, except for the net residual amounts due between governmental and business-type activities, which are presented as internal balances.

I) COMPENSATED ABSENCES

The School District reports compensated absences in accordance with the provisions of GASB Statement No. 16, “Accounting for Compensated Absences.” Sick leave benefits are accrued as a liability using the termination payment method. An accrual for earned sick leave is made to the extent that it is probable that the benefits will result in termination payments. The liability is based on the School District’s past experience of making termination payments.

The entire compensated absence liability is reported on the government-wide financial statements.

For governmental fund financial statements the current portion of unpaid compensated absences is the amount expected to be paid using expendable available resources. These amounts, if any, are recorded in the account “compensated absences payable” in the fund from which the employees who have accumulated unpaid leave are paid. The noncurrent portion of the liability is not reported. In proprietary funds, the entire amount of compensated absences is reported as a fund liability.

J) ACCRUED LIABILITIES AND LONG-TERM OBLIGATIONS

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements.

GENESEE INTERMEDIATE SCHOOL DISTRICT - FLINT, MICHIGAN  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2005

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2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J) ACCRUED LIABILITIES AND LONG-TERM OBLIGATIONS (Continued)

In general, payables and accrued liabilities that will be paid from governmental funds are reported on the governmental fund financial statements regardless of whether they will be liquidated with current resources. However, claims and judgments, the noncurrent portion of capital leases, compensated absences, contractually required pension contributions and special termination benefits that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they will be paid with current, expendable, available financial resources. In general, payments made within sixty days after year end are considered to have been made with current available financial resources. Bonds and other long-term obligations that will be paid from governmental funds are not recognized as a liability in the fund financial statements until due.

K) FUND BALANCE RESERVES

The School District reserves those portions of fund equity which are legally segregated for a specific future use or which do not represent available expendable resources and therefore are not available for appropriation or expenditure. Unreserved fund balance indicates that portion of fund equity which is available for appropriation in future periods. Fund equity reserves have been established for inventories.

L) NET ASSETS

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

M) OPERATING REVENUES AND EXPENSES

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the School District, those revenues are primary fees collected for providing transportation of special education students, fees collected for transportation of students in the Flint Community School Districts and fees collected for local district use of the GENNET interactive voice, data and video system.

N) CONTRIBUTIONS OF CAPITAL

Contributions of capital in proprietary fund financial statements arise from outside contributions of fixed assets, or from grants or outside contributions of resources restricted to capital acquisition and construction.

O) INTERFUND ACTIVITY

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues.

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after nonoperating revenues/expenses in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

P) EXTRAORDINARY AND SPECIAL ITEMS

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during the fiscal year ended June 30, 2005.

GENESEE INTERMEDIATE SCHOOL DISTRICT - FLINT, MICHIGAN  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2005

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2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Q) ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

R) BUDGETARY DATA

The budgetary process is prescribed by provisions of the State of Michigan Budget Act and entails the preparation of budgetary documents within an established timetable. All funds, other than agency funds, are legally required to be budgeted and appropriated. The legal level of budgetary control has been established by the Board of Education at the function level. Any budgetary modifications may only be made by resolution of the Board of Education.

The School District follows these procedures in establishing the budgets for the individual funds as reflected in the financial statements.

- 1) Prior to June 30, the Superintendent submits to the School Board a proposed operating budget for the fiscal year commencing on July 1.
- 2) A public hearing is conducted during June to obtain taxpayer comments.
- 3) Prior to June 30, the budget is legally enacted through passage of a resolution.
- 4) For purposes of meeting emergency needs of the School District, transfer of appropriations may be made by the authorization of the Superintendent. Such transfers of appropriations must be approved by the Board of Education at its next regularly scheduled meeting.
- 5) The School Superintendent is charged with general supervision of the budget and shall hold the department heads responsible for performance of their responsibilities.
- 6) During the year the budget is monitored, and amendments to the budget resolution are made when deemed necessary.

Lapsing of Appropriations – At the close of each year all unspent appropriations revert to the respective funds from which they were appropriated and become subject to future appropriation.

O) RECLASSIFICATIONS

Certain reclassifications have been made to the prior year financial statements to conform to current year presentation.

3) STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY – BUDGET VIOLATIONS

P.A. 621 of 1978, Section 18 (1), as amended provides that a local unit shall not incur expenditures in excess of the amount appropriated.

In the body of the financial statements, the District's actual expenditures and budgeted expenditures for the budgetary funds have been shown on a functional basis. The approved budgets of the District for these budgetary funds were adopted to the activity level.

During the year ended June 30, 2005, the District incurred expenditures in certain budgetary funds which were in excess of the amounts appropriated.

GENESEE INTERMEDIATE SCHOOL DISTRICT - FLINT, MICHIGAN  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2005

4) DEPOSITS AND INVESTMENTS

As of June 30, 2005, the District had the following investments.

<u>Investment Type</u>	<u>Fair value</u>	<u>Weighted Average Maturity (Years)</u>	<u>Standard &amp; Poor's Rating</u>	<u>%</u>
MILAF External Investment Pool - MICMS	<u>\$ 27,969</u>	0.0027	AAAm	<u>100.00%</u>

1 day maturity equals 0.0027, one year equals 1.00.

**Interest rate risk.** In accordance with its investment policy, the District will minimize interest rate risk, which is the risk that the market value of securities in the portfolio will fall due to changes in market interest rates, by; structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities in the open market; and, investing operating funds primarily in shorter-term securities, liquid asset funds, money market mutual funds, or similar investment pools and limiting the average maturity in accordance with the District's cash requirements.

**Credit risk.** State law limits investments in commercial paper and corporate bonds to a prime or better rating issued by nationally recognized statistical rating organizations (NRSROs). As of June 30, 2005, the District's investment in the investment pool was rated AAA by Standards & Poor's and AAA by Moody's Investors Service.

**Concentration of credit risk.** The District will minimize concentration of credit risk, which is the risk of loss attributed to the magnitude of the District's investment in a single issuer, by diversifying the investment portfolio so that the impact of potential losses from any one type of security or issuer will be minimized. More than 5% of the District's investments are in pooled investment accounts which represents 100% of the District's total investments.

**Custodial credit risk – deposits.** In the case of deposits, this is the risk that in the event of a bank failure, the District's deposits may not be returned to it. As of June 30, 2005, \$41,690,725 of the District's bank balance of \$41,990,725 was exposed to custodial credit risk because it was uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the District's name.

**Custodial credit risk – investments.** For an investment, this is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

The District will minimize custodial credit risk, which is the risk of loss due to the failure of the security issuer or backer, by; limiting investments to the types of securities allowed by law; and pre-qualifying the financial institutions, broker/dealers, intermediaries and advisors with which the District will do business.

**Foreign currency risk.** The District is not authorized to invest in investments which have this type of risk.

The above amounts as previously report in Note 4:

Deposits – Governmental Funds	
Including Fiduciary Funds of \$137,641	\$ 33,317,819
Deposits – Proprietary Fund	1,294,616
Investments – Governmental Funds	<u>27,969</u>
<u>TOTAL</u>	<u>\$ 34,640,404</u>



GENESEE INTERMEDIATE SCHOOL DISTRICT - FLINT, MICHIGAN  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2005

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4) DEPOSITS AND INVESTMENTS (Continued)

The above amounts are reported in the financial statements as follows:

Cash Agency Fund	\$ 137,641
Cash – District Wide – Governmental Funds	33,180,178
Cash – Proprietary Fund	1,294,616
Investments – District Wide – Governmental Funds	<u>27,969</u>
 <u>TOTAL</u>	 <u>\$ 34,640,404</u>

5) PROPERTY TAXES

The School District levies its property taxes on December 1 and various municipalities collect its property taxes and remit them to the District through February. The delinquent real property taxes of the District are purchased by the County, and delinquent personal property taxes continue to be collected by the municipalities and recorded as revenue as they are collected. The county sells tax notes, the proceeds of which have been used to pay the District for these delinquent real property taxes. These delinquent real property taxes have been recorded as revenue in the current year.

6) RECEIVABLES

Receivables at June 30, 2005, consist of taxes, accounts (fees), intergovernmental grants and interest. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current year guarantee of federal funds.

A summary of the principal items of intergovernmental receivables (due from other governmental units) follows:

<u>GOVERNMENTAL ACTIVITIES</u>	<u>AMOUNT</u>
State Aid	\$ 3,545,628
Federal Grants	6,835,291
Other Grant Programs & Fees	<u>126,520</u>
 <u>TOTAL GOVERNMENTAL ACTIVITIES</u>	 <u>\$ 10,507,439</u>

7) UNEMPLOYMENT COMPENSATION

The District is subject to the Michigan Employment Security Act and has elected the reimbursement method of financing. Under this method, the District must reimburse the Employment Commission for all benefits charged against the District for the year. As of June 30, 2005, the School District had \$31,874 of estimated claims payable in conjunction with the program.

8) SHORT-TERM DEBT

The District has various options for short-term financing including tax anticipation notes, state aid anticipation notes and lines of credit. The District entered into no short-term financing arrangements during the fiscal year ended June 30, 2005.

GENESEE INTERMEDIATE SCHOOL DISTRICT - FLINT, MICHIGAN  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2005

9) CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2005, was as follows:

	BALANCE JULY 1, 2004	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 2005
<u>GOVERNMENTAL ACTIVITIES</u>				
Buildings and Improvements	\$10,335,670	\$834,254	\$0	\$11,169,924
Land Improvements	610,002	378,952	0	988,954
Furniture and Equipment	6,500,957	850,767	117,022	7,234,702
Vehicles	781,263	148,274	51,054	878,483
Totals at Historical Cost	\$18,227,892	\$2,212,247	\$168,076	\$20,272,063
Less: Accumulated Depreciation				
Buildings and Improvements	(5,458,460)	(308,490)	0	(5,766,950)
Land Improvements	0	(115,598)	0	(115,598)
Furniture and Equipment	(3,687,370)	(960,901)	(117,022)	(4,531,249)
Vehicles	(632,023)	(30,274)	(51,054)	(611,243)
Total Accumulated Depreciation	<u>(\$9,777,853)</u>	<u>(\$1,415,263)</u>	<u>(\$168,076)</u>	<u>(\$11,025,040)</u>
<u>GOVERNMENTAL ACTIVITIES</u>				
<u>CAPITAL ASSETS - NET</u>	<u>\$8,450,039</u>	<u>\$796,984</u>	<u>\$0</u>	<u>\$9,247,023</u>
<u>BUSINESS - TYPE ACTIVITIES</u>				
Furniture and Equipment	\$6,072,935	\$210,681	\$0	\$6,283,616
Buses	5,457,876	1,153,183	447,605	6,163,454
Totals at Historical Cost	\$11,530,811	\$1,363,864	\$447,605	\$12,447,070
Less: Accumulated Depreciation				
Furniture and Equipment	(1,768,066)	(860,975)	0	(2,629,041)
Buses	(1,973,698)	(636,036)	(447,605)	(2,162,129)
Total Accumulated Depreciation	<u>(\$3,741,764)</u>	<u>(\$1,497,011)</u>	<u>(\$447,605)</u>	<u>(\$4,791,170)</u>
<u>BUSINESS - TYPE ACTIVITIES</u>				
<u>CAPITAL ASSETS - NET</u>	<u>\$7,789,047</u>	<u>(\$133,147)</u>	<u>\$0</u>	<u>\$7,655,900</u>

Depreciation expense, when appropriate, was allocated to governmental functions. Depreciation expense that was not allocated appears on the statement of activities as "unallocated". Depreciation was recorded on the statement of activities as follows:

	Governmental	Business - Type	TOTAL
Instruction	\$ 772,109	\$ 2,533	\$ 774,642
Support Services	176,988	1,494,478	1,671,466
Unallocated	466,166	0	466,166
<u>TOTAL DEPRECIATION EXPENSE</u>	<u>\$ 1,415,263</u>	<u>\$ 1,497,011</u>	<u>\$ 2,912,274</u>

GENESEE INTERMEDIATE SCHOOL DISTRICT - FLINT, MICHIGAN  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2005

10) SELF INSURANCE POOL

The School District participates in a public entity risk pool (self-insurance pool) for its workers' compensation, property and casualty, general liability, and boiler insurance. The pool is through the MASB/SET/SEG and is administered by Corporate Services. The pool provides for reinsurance by various insurance companies at various levels, depending on the coverage. Should the pool experience significant losses in the aggregate, the School District may be required to pay additional monies to the pool. At present, the MASB/SET/SEG has not required additional funds, but rather has issued refunds based on experience gains over experience losses over the last few years. Premiums for the year ended June 30, 2005 were \$345,796 and the School District received a dividend refund of \$96,904.

11) LONG-TERM LIABILITIES

A) Durant Resolution Package Bonds

Genesee Intermediate School District issued Durant Resolution Bonds on November 24, 1998 in the amount of \$3,150,338 at the interest rate of 4.7613%. The bonds are a legal obligation of the school district but the annual State of Michigan appropriation is the only revenue source for making the annual debt service payments on the bonds. If the legislature fails to appropriate the bonds, the district is under no obligation for payment. The balance at June 30, 2005 was \$2,012,647. The legislature refinanced the repayment schedule during the year ended June 30, 2003.

B) Debt service requirements at June 30, 2005, were as follows:

Year Ended June 30,	<u>Governmental Activities - Durant Bonds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2006	\$152,488	\$68,739	\$221,227
2007	728,673	315,261	1,043,934
2008	167,356	53,874	221,230
2009	175,327	45,906	221,233
2010	183,666	37,558	221,224
2011-2013	<u>605,137</u>	<u>58,517</u>	<u>663,654</u>
<u>TOTAL</u>	<u>\$2,012,647</u>	<u>\$579,855</u>	<u>\$2,592,502</u>

C) Changes in Long-Term Liabilities

	BALANCE			BALANCE	AMOUNT DUE
<u>Governmental Activities:</u>	<u>JULY 1, 2004</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>JUNE 30, 2005</u>	<u>IN ONE YEAR</u>
Bonds Payable	\$2,012,647	\$0	\$0	\$2,012,647	\$152,488
Compensated Absences Payable	250,418	41,642	0	292,060	0
<u>Total Governmental Activities</u>	<u>\$2,263,065</u>	<u>\$41,642</u>	<u>\$0</u>	<u>\$2,304,707</u>	<u>\$152,488</u>
<u>Business Type Activities</u>					
Compensated Absences Payable	\$34,991	\$6,939	\$0	\$41,930	\$0

The payment dates of sick days payable are undeterminable. The interest expenditures on long-term obligations for the year were \$0.

GENESEE INTERMEDIATE SCHOOL DISTRICT - FLINT, MICHIGAN  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2005

12) OPERATING LEASES

Genesee Intermediate School District has entered into several operating leases summarized below:

- A) The District entered into a lease with St. Agnes Parish for the use of the St. Agnes Convent. The lease, dated September 1, 2002, is for the term of five years. The building is being leased at a cost of \$44,529 per year, utilities included. The rent for each subsequent year shall be determined by Consumer Price Index. In addition a monthly service fee will be charged for the alarm system.
- B) The District entered into a lease agreement with NuWest Associates for the use of space in the Ballenger Point Shopping Center. The monthly rental amount is \$7,879 which includes the base rental and other charges. The lease term begins on October 1, 2003 and ends on September 30, 2006. There is an option to renew the lease after the original term has expired.

The future minimum payments are as follows:

2006	\$ 141,346
2007	<u>69,059</u>
<u>TOTAL</u>	<u>\$ 210,405</u>

13) INTERFUND BALANCES

Interfund balances at June 30, 2005 consisted of the following:

DUE TO	DUE FROM		
	SPECIAL	CAREER	
	EDUCATION	TECHNICAL	
	FUND	EDUCATION	TOTAL
		FUND	
General Fund	<u>\$2,041,209</u>	<u>\$30</u>	<u>\$2,041,239</u>

These balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting systems, and (3) payments between funds are made.

14) INTERFUND TRANSFERS

Interfund transfers for the year ended June 30, 2005, consisted of the following:

TRANSFERS TO	TRANSFERS FROM			
	SPECIAL	CAREER	CAPITAL	
	EDUCATION	TECHNICAL	PROJECTS	
	FUND	EDUCATION	FUND	TOTAL
		FUND		
Capital Projects Fund	<u>\$1,500,000</u>	<u>\$1,000,000</u>	<u>\$0</u>	<u>\$2,500,000</u>
Enterprise Fund	<u>1,043,137</u>	<u>0</u>	<u>110,046</u>	<u>1,153,183</u>
<u>TOTAL</u>	<u>\$2,543,137</u>	<u>\$1,000,000</u>	<u>\$110,046</u>	<u>\$3,653,183</u>

Transfers were used to finance various capital projects accounted for in other funds in accordance with budgetary authorizations.

GENESEE INTERMEDIATE SCHOOL DISTRICT - FLINT, MICHIGAN  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2005

15) RESIDUAL EQUITY TRANSFER

TRANSFERS TO	TRANSFERS FROM		
	CAREER		
	TECHNICAL		
	EDUCATION	ENTERPRISE	
	FUND	FUND	TOTAL
General Fund	\$0	\$650,655	\$650,655
Special Education Fund	0	72,570	72,570
Enterprise Fund	54,821	0	54,821
<b><u>TOTAL</u></b>	<b><u>\$54,821</u></b>	<b><u>\$723,225</u></b>	<b><u>\$778,046</u></b>

Residual equity transfers were made from the enterprise fund back to the originating fund due to the termination of the pilot program, originally requested by State of Michigan, which was used to account for usage of Genesee Intermediate School District services by the local districts.

16) DEFINED BENEFIT PENSION PLAN

Plan Description

The School District participates in the Michigan Public School Employees' Retirement System (MPSERS), a statewide, cost-sharing, multiple-employer defined benefit public employee retirement system governed by the State of Michigan that covers substantially all employees of the School District. The MPSERS provides retirement, survivor and disability benefits to plan members and their beneficiaries. The MPSERS issues a publicly available financial report that includes financial statements and required supplementary information for the MPSERS. That report may be obtained by writing to the MPSERS at 7150 Harris Drive, PO Box 30673, Lansing, MI 48909-8103.

Funding Policy

Employer contributions to the MPSERS result from the implementing effects of the School Finance Reform Act. Under these procedures, each school district is required to contribute the full actuarial funding contribution amount to fund pension benefits, plus an additional amount to fund retiree health care benefit amounts on a cash disbursement basis. The pension benefit rate totals 12.99 percent for the period July 1, 2004 through September 30, 2004 and 14.87 percent for the period October 1, 2004 through June 30, 2005 of the covered payroll to the plan. Basic plan members make no contributions, but contribute to a member investment plan (MIP) at rates ranging from 3 percent to 4.3 percent of gross wages. The School District's contributions to the MPSERS pension plan for the years ended June 30, 2005, 2004 and 2003 were \$3,830,068, \$3,223,554 and \$3,035,817, respectively.

Postemployment Benefits

Under the MPSERS Act, all retirees participating in the MPSERS pension plan have the option of continuing health, dental and vision coverage. Retirees having these coverages contribute an amount equivalent to the monthly cost for Part B Medicare and 10 percent of the monthly premium amount for the health, dental and vision coverages. Required contributions for postemployment health care benefits are included as part of the School District's total contribution to the MPSERS pension plan discussed above.

GENESEE INTERMEDIATE SCHOOL DISTRICT - FLINT, MICHIGAN  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2005

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17) RISK MANAGEMENT

The District is exposed to various risks of loss in conducting its operations, from property and casualty, theft, damage to various tort and liability claims and workman's compensation claims. The District limits its exposure to such claims through its participation in and payments of premiums to SET-SEG, Inc. Insurance Trust. The pool maintains a loss fund and is also required by the terms of the participation agreement to obtain insurance and reinsurance as necessary.

The terms of the participation agreement with the pool indicate that, should losses of the pool incurred in a given coverage period exceed the loss fund and the aggregate excess reinsurance, the fund may access its member districts on a pro-rata basis to cover excess losses. In past years the loss fund has exceeded the amount necessary to maintain prudent loss reserves, resulting in annual premium refunds to member districts. The District's management believes that participation in this pool provides sufficient coverage to protect the District from significant adverse financial impact.

18) GOVERNMENTAL REGULATION

Substantially all of the school district's facilities are subject to federal, state and local provisions regulating the discharge of materials into the environment. Compliance with these provisions has not had, nor does the school district expect such compliance to have, any material effect upon the capital expenditures, net revenue in excess of expenditures or financial condition of the school district. Management believes that its current practices and procedures for the control and disposition of such wastes comply with applicable federal and state requirements.

19) CONTINGENCIES AND COMMITMENTS

The District participates in a number of federally assisted grant programs. These programs are subject to program compliance audits. The audits of these programs for and including the year ended June 30, 2005, have been conducted and have been reported in this audit report. However, the compliance audit reports have not yet been accepted by the grantors. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time; although the District expects such amounts, if any, to be immaterial.

REQUIRED  
SUPPLEMENTARY  
INFORMATION

GENESEE INTERMEDIATE SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Local Sources	\$4,381,423	\$6,953,398	\$6,671,432	(\$281,966)
State Sources	4,724,750	5,574,911	5,600,808	25,897
Federal Sources	1,896,497	3,571,903	3,193,384	(378,519)
Total Revenues	<u>\$11,002,670</u>	<u>\$16,100,212</u>	<u>\$15,465,624</u>	<u>(\$634,588)</u>
<u>EXPENDITURES</u>				
Current:				
Instruction	1,480,439	1,758,803	1,739,776	19,027
Student Services	1,012,086	2,204,699	2,116,664	88,035
Instructional Staff	3,546,566	5,361,512	5,092,013	269,499
General Administration	1,742,651	918,098	877,962	40,136
School Administration	440,939	500,899	514,535	(13,636)
Business Administration	313,917	339,255	318,196	21,059
Operation & Maintenance of Plant	626,899	682,742	640,207	42,535
Transportation	167,209	150,509	123,611	26,898
Support Services - Other	2,991,768	3,548,565	3,520,555	28,010
Total Expenditures	<u>\$12,322,474</u>	<u>\$15,465,082</u>	<u>\$14,943,519</u>	<u>\$521,563</u>
Excess of Revenues Over Expenditures	<u>(\$1,319,804)</u>	<u>\$635,130</u>	<u>\$522,105</u>	<u>(\$113,025)</u>
<u>OTHER FINANCING SOURCES (USES)</u>	<u>(906,600)</u>	<u>(1,002,429)</u>	<u>(854,041)</u>	<u>148,388</u>
Net Change in Fund Balance	<u>(\$2,226,404)</u>	<u>(\$367,299)</u>	<u>(\$331,936)</u>	<u>\$35,363</u>
<u>FUND BALANCE - BEGINNING</u>			5,725,437	
<u>RESIDUAL EQUITY TRANSFER</u>			650,655	
<u>FUND BALANCE - ENDING</u>			<u>\$6,044,156</u>	



GENESEE INTERMEDIATE SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
SPECIAL EDUCATION FUND  
FOR THE YEAR ENDED JUNE 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Local Sources	\$27,575,071	\$28,714,600	\$28,493,037	(\$221,563)
State Sources	11,694,523	13,871,969	13,871,136	(833)
Federal Sources	13,937,416	18,558,540	18,429,353	(129,187)
Total Revenues	\$53,207,010	\$61,145,109	\$60,793,526	(\$351,583)
<u>EXPENDITURES</u>				
Current:				
Instruction	14,719,230	14,243,038	13,931,156	311,882
Student Services	8,060,956	8,080,710	7,901,492	179,218
Instructional Staff	1,161,868	1,131,349	1,077,051	54,298
General Administration	1,110,058	1,129,685	1,042,201	87,484
School Administration	683,309	530,892	519,405	11,487
Business Administration	586,438	706,274	694,434	11,840
Operation & Maintenance of Plant	1,781,214	1,675,267	1,589,579	85,688
Transportation	4,836,720	5,513,381	4,478,780	1,034,601
Support Services - Other	685,062	718,710	647,950	70,760
Community Services	393,957	323,307	295,843	27,464
Total Expenditures	\$34,018,812	\$34,052,613	\$32,177,891	\$1,874,722
Excess of Revenues Over Expenditures	\$19,188,198	\$27,092,496	\$28,615,635	\$1,523,139
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers to Local Districts	(22,449,536)	(28,739,557)	(29,020,356)	(280,799)
Other Transfers	(36,500)	(2,000)	0	2,000
Transfers to Other Funds	(1,500,000)	(1,500,000)	(2,543,137)	(1,043,137)
Total Other Financing Sources (Uses)	(\$23,986,036)	(\$30,241,557)	(\$31,563,493)	(\$1,321,936)
Net Change in Fund Balance	(\$4,797,838)	(\$3,149,061)	(\$2,947,858)	\$201,203
<u>FUND BALANCE - BEGINNING</u>			23,107,486	
<u>RESIDUAL EQUITY TRANSFER</u>			72,570	
<u>FUND BALANCE - ENDING</u>			<u>\$20,232,198</u>	

GENESEE INTERMEDIATE SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
CAREER TECHNICAL EDUCATION FUND  
FOR THE YEAR ENDED JUNE 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Local Sources	\$10,230,474	\$10,504,615	\$10,397,733	(\$106,882)
State Sources	1,819,283	2,088,561	2,088,227	(334)
Federal Sources	1,512,875	1,572,254	1,576,007	3,753
Total Revenues	<u>\$13,562,632</u>	<u>\$14,165,430</u>	<u>\$14,061,967</u>	<u>(\$103,463)</u>
<u>EXPENDITURES</u>				
Current:				
Instruction	0	19,535	19,535	0
Student Services	0	807,160	806,846	314
Instructional Staff	4,569,607	3,499,550	3,451,583	47,967
General Administration	219,949	193,242	177,794	15,448
Business Administration	160,320	156,407	157,928	(1,521)
Operation & Maintenance of Plant	173,018	141,459	130,727	10,732
Transportation	0	56,729	56,729	0
Support Services - Other	163,051	135,179	112,033	23,146
Total Expenditures	<u>\$5,285,945</u>	<u>\$5,009,261</u>	<u>\$4,913,175</u>	<u>\$96,086</u>
Excess of Revenues Over Expenditures	<u>\$8,276,687</u>	<u>\$9,156,169</u>	<u>\$9,148,792</u>	<u>(\$7,377)</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers to Local Districts	(9,241,327)	(9,789,493)	(9,677,411)	(112,082)
Transfers to Other Funds	0	(1,054,821)	(1,000,000)	54,821
Total Other Financing Sources (Uses)	<u>(\$9,241,327)</u>	<u>(\$10,844,314)</u>	<u>(\$10,677,411)</u>	<u>(\$57,261)</u>
Net Change in Fund Balance	<u>(\$964,640)</u>	<u>(\$1,688,145)</u>	<u>(\$1,528,619)</u>	<u>(\$64,638)</u>
<u>FUND BALANCE - BEGINNING</u>			6,772,618	
<u>RESIDUAL EQUITY TRANSFER</u>			<u>(54,821)</u>	
<u>FUND BALANCE - ENDING</u>			<u>\$5,189,178</u>	

OTHER SUPPLEMENTAL  
INFORMATION

GENESEE INTERMEDIATE SCHOOL DISTRICT  
COMBINING BALANCE SHEET  
OTHER GOVERNMENTAL FUNDS  
AS OF JUNE 30, 2005

	School Service Fund	Capital Projects Fund	Total Other Governmental Funds
<u>ASSETS</u>			
Cash and Cash Equivalents	\$6,037	\$7,186,104	\$7,192,141
<u>TOTAL ASSETS</u>	<u>\$6,037</u>	<u>\$7,186,104</u>	<u>\$7,192,141</u>
<u>LIABILITIES</u>			
Accounts Payable	\$0	\$298,418	\$298,418
<u>FUND BALANCES</u>			
Reserved - Capital Projects	0	6,887,686	6,887,686
Unreserved:			
School Service Fund	6,037	0	6,037
Total Fund Balances	<u>\$6,037</u>	<u>\$6,887,686</u>	<u>\$6,893,723</u>
<u>TOTAL LIABILITIES FUND BALANCES</u>	<u>\$6,037</u>	<u>\$7,186,104</u>	<u>\$7,192,141</u>

GENESEE INTERMEDIATE SCHOOL DISTRICT  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
OTHER GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2005

	School Service Fund	Capital Projects Fund	Total Other Governmental Funds
<u>REVENUES</u>			
Local Sources	\$37,512	\$184,677	\$222,189
<u>OTHER FINANCING SOURCES</u>			
Transfers from Other Funds	0	2,389,954	2,389,954
Total Revenues and Other Financing Sources	<u>\$37,512</u>	<u>\$2,574,631</u>	<u>\$2,612,143</u>
<u>EXPENDITURES</u>			
Food Service	34,372	0	34,372
Capital Outlay	0	2,582,911	2,582,911
Total Expenditures	<u>\$34,372</u>	<u>\$2,582,911</u>	<u>\$2,617,283</u>
Net Change in Fund Balance	<u>\$3,140</u>	<u>(\$8,280)</u>	<u>(\$5,140)</u>
<u>NET ASSETS - BEGINNING</u>	<u>2,897</u>	<u>6,895,966</u>	<u>6,898,863</u>
<u>NET ASSETS - ENDING</u>	<u><u>\$6,037</u></u>	<u><u>\$6,887,686</u></u>	<u><u>\$6,893,723</u></u>

GENESEE INTERMEDIATE SCHOOL DISTRICT - FLINT, MICHIGAN  
CAPITAL PROJECTS FUND  
COMBINING BALANCE SHEET  
AS OF JUNE 30, 2005

	<u>Durant</u>	<u>General Capital Projects</u>	<u>Career Tech Capital Projects</u>	<u>Special Ed Capital Projects</u>	<u>Total</u>
<u>ASSETS</u>					
Cash and Cash Equivalents	<u>\$817,620</u>	<u>\$1,728,668</u>	<u>\$1,004,710</u>	<u>\$3,635,106</u>	<u>\$7,186,104</u>
<u>TOTAL ASSETS</u>	<u>\$817,620</u>	<u>\$1,728,668</u>	<u>\$1,004,710</u>	<u>\$3,635,106</u>	<u>\$7,186,104</u>
<u>LIABILITIES</u>					
Accounts Payable	\$0	\$31,556	\$0	\$266,862	\$298,418
<u>FUND EQUITY</u>					
Reserved - Capital Projects	<u>817,620</u>	<u>1,697,112</u>	<u>1,004,710</u>	<u>3,368,244</u>	<u>6,887,686</u>
<u>TOTAL LIABILITIES AND FUND EQUITY</u>	<u>\$817,620</u>	<u>\$1,728,668</u>	<u>\$1,004,710</u>	<u>\$3,635,106</u>	<u>\$7,186,104</u>

GENESEE INTERMEDIATE SCHOOL DISTRICT - FLINT, MICHIGAN  
CAPITAL PROJECTS FUND  
COMBINING STATEMENTS OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED JUNE 30, 2005

	Durant	General Capital Projects	Career Tech Capital Projects	Special Ed Capital Projects	Total After Interfund Eliminations
<u>REVENUES</u>					
<u>Local Sources</u>					
Earnings on Investments and Deposits	\$0	\$43,309	\$4,710	\$61,246	\$109,265
Miscellaneous	0	20,500	0	0	20,500
USF Discounts	0	54,912	0	0	54,912
Total Revenues	\$0	\$118,721	\$4,710	\$61,246	\$184,677
<u>OTHER FINANCING SOURCES</u>					
Transfers from Other Funds	0	0	1,000,000	1,500,000	2,500,000
Total Revenues and Other Financing Sources	\$0	\$118,721	\$1,004,710	\$1,561,246	\$2,684,677
<u>EXPENDITURES</u>					
Purchased Services	14,248	68,657	0	239,248	322,153
Building and Grounds	0	165,954	0	1,542,836	1,708,790
Furniture and Equipment	48,351	107,239	0	396,378	551,968
Total Expenditures	\$62,599	\$341,850	\$0	\$2,178,462	\$2,582,911
<u>OTHER FINANCING USES</u>					
Transfer to Other Funds	110,046	0	0	0	110,046
Total Expenditures and Other Financing Uses	\$172,645	\$341,850	\$0	\$2,178,462	\$2,692,957
<u>EXCESS REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</u>	<u>(\$172,645)</u>	<u>(\$223,129)</u>	<u>\$1,004,710</u>	<u>(\$617,216)</u>	<u>(\$8,280)</u>
<u>FUND BALANCE - BEGINNING OF YEAR</u>	<u>\$990,265</u>	<u>\$1,920,241</u>	<u>\$0</u>	<u>\$3,985,460</u>	<u>\$6,895,966</u>
<u>FUND BALANCE - END OF YEAR</u>	<u>\$817,620</u>	<u>\$1,697,112</u>	<u>\$1,004,710</u>	<u>\$3,368,244</u>	<u>\$6,887,686</u>

INDIVIDUAL FUND SCHEDULES OF  
REVENUES, EXPENDITURES AND  
OTHER FINANCING USES



GENESEE INTERMEDIATE SCHOOL DISTRICT - FLINT, MICHIGAN  
GENERAL FUND  
SCHEDULE OF REVENUES  
FOR THE YEAR ENDED JUNE 30, 2005

REVENUES FROMLocal Sources

Current Tax Levy	\$1,720,369
Payments in Lieu of Taxes	7,214
Earnings on Investments and Deposits	123,991
Fees	2,766
Other Local Grants	1,334,605
Mott Middle College	2,279,413
Miscellaneous	1,203,074
Total Local Sources	<u>\$6,671,432</u>

State Sources

Intermediate Districts - Section 81	4,139,132
Renaissance Zone - Section 26a	196,684
Bilingual Education - Section 41	7,858
Gifted and Talented - Section 57.3	1,477
Durant - Section 11F	315,237
ISD Gifted and Talented - Section 57.1	980
Bus Driver Safety - Section 74	172,699
Math and Science - Section 99.1	99,445
Project Skip - Section 32b	454,744
Other State Grants	212,552
Total State Sources	<u>\$5,600,808</u>

Federal Sources

Bridges Plus	36,203
Title I Reg Assist	29,737
IASA Title V	131,866
Homeless Children and Youth	20,997
Title III Immigrant Education	10,901
Safe & Drug Free Learning	1,437,043
Safe and Drug-Free Schools	367,199
Reading First	40,000
Secondary Prevention	6,221
Even Start	450,000
MI Model Part for Character Education	74,033
PEP - CM White Physical Fitness	82,268
Color Me Healthy	22,886
State Homeland Security	61,938
Emergency Management/Crisis Response	314,716
Math & Science Partnerships	106,555
Improving Teacher Quality	821
Total Federal Sources	<u>\$3,193,384</u>

TOTAL REVENUES\$15,465,624

GENESEE INTERMEDIATE SCHOOL DISTRICT - FLINT, MICHIGAN  
SPECIAL EDUCATION FUND  
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES  
FOR THE YEAR ENDED JUNE 30, 2005

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REVENUES FROM
Local Sources

Current Tax Levy	\$25,289,615
Payments in Lieu of Taxes	44,659
Earnings on Investments and Deposits	606,525
Miscellaneous	428,055
Contributions	22,701
Medicaid Fee-for-Service Program	2,098,571
Gifts, Grants and Bequests	2,911
Total Local Sources	<u>\$28,493,037</u>

State Sources

Special Education Foundation - Section 51a.2	4,890,632
Special Education - Section 51a	5,184,743
Court and State Agency Placed Pupils - Section 53a	(15,468)
School for the Deaf/Blind - Section 54	577,469
Special Education - Section 56	2,930,753
Special Education Foundation (Non-Sec 52) - Section 51a.12	1,830
Center Program Fica/Retirement - Section 51a.8	301,177
Total State Sources	<u>\$13,871,136</u>

Federal Sources

IDEA Flowthrough	16,151,610
Enhancing Opportunities for Student with Disabilities	50,000
Preschool Incentive	537,576
Technology and Materials Training	23,835
Transition Services	105,000
Capacity Building	164,078
Infant and Toddler Formula	473,836
Medicaid Administrative Outreach Claims	715,658
School Based Services - Transportation	37,146
Workforce Investment Act	170,614
Total Federal Sources	<u>\$18,429,353</u>

TOTAL REVENUES
\$60,793,526

GENESEE INTERMEDIATE SCHOOL DISTRICT - FLINT, MICHIGAN  
CAREER TECHNICAL EDUCATION FUND  
SCHEDULE OF REVENUES  
FOR THE YEAR ENDED JUNE 30, 2005

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REVENUES FROMLocal Sources

Current Tax Levy	\$10,113,027
Payments in Lieu of Taxes	17,860
Earnings on Investments and Deposits	166,742
Miscellaneous	100,104
Total Local Sources	<u>\$10,397,733</u>

State Sources

Career Technical Education - Section 61a.1	183,647
Career Technical Education Administration - Section 61a.2	14,576
Career Technical Education Millage Equalization - Section 62	1,890,004
Total State Sources	<u>\$2,088,227</u>

Federal Sources

Secondary Regional Allocation	1,385,872
Tech Prep Education	190,135
Total Federal Sources	<u>\$1,576,007</u>

TOTAL REVENUES\$14,061,967

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GENESEE INTERMEDIATE SCHOOL DISTRICT - FLINT, MICHIGAN  
GENERAL FUND  
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES  
FOR THE YEAR ENDED JUNE 30, 2005

INSTRUCTION

Salaries - Professional	\$1,141,687
Salaries - Non-Professional	57,260
Insurances	191,919
Fica, Retirement, Etc.	268,508
Purchased Services	26,219
Supplies & Materials	54,183
Total Instruction	<u>\$1,739,776</u>

SUPPORT SERVICESSTUDENT SERVICES

Salaries - Professional	1,142,734
Salaries - Non-Professional	62,868
Insurances	86,300
Fica, Retirement, Etc.	263,887
Purchased Services	502,606
Supplies & Materials	52,938
Capital Outlay	5,331
Total Student Services	<u>\$2,116,664</u>

INSTRUCTIONAL STAFF

Salaries - Professional	1,396,935
Salaries - Non-Professional	515,238
Insurances	385,369
Fica, Retirement, Etc.	425,449
Other Benefits	2,114
Purchased Services	1,891,501
Supplies & Materials	442,981
Capital Outlay	19,892
Other	12,534
Total Instructional Staff	<u>\$5,092,013</u>

GENERAL ADMINISTRATION

Salaries - Professional	386,673
Salaries - Non-Professional	120,967
Insurances	53,151
Fica, Retirement, Etc.	96,622
Purchased Services	159,350
Supplies & Materials	35,652
Other	25,547
Total General Administration	<u>\$877,962</u>

GENESEE INTERMEDIATE SCHOOL DISTRICT - FLINT, MICHIGAN  
GENERAL FUND  
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES  
FOR THE YEAR ENDED JUNE 30, 2005

SUPPORT SERVICES (Continued)SCHOOL ADMINISTRATION

Salaries - Professional	\$91,796
Salaries - Non-Professional	109,046
Insurances	66,411
Fica, Retirement, Etc.	48,770
Purchased Services	111,693
Supplies & Materials	78,840
Capital Outlay	5,602
Other	2,377
Total School Administration	<u>\$514,535</u>

BUSINESS ADMINISTRATION

Salaries - Professional	32,420
Salaries - Non-Professional	127,102
Insurances	35,585
Fica, Retirement, Etc.	34,991
Other Benefits	691
Purchased Services	70,915
Supplies & Materials	3,994
Capital Outlay	(194)
Other	12,692
Total Business Administration	<u>\$318,196</u>

OPERATION & MAINTENANCE OF PLANT

Salaries - Non-Professional	125,701
Insurances	35,572
Fica, Retirement, Etc.	33,152
Purchased Services	285,201
Supplies & Materials	160,581
Total Operation & Maintenance of Plant	<u>\$640,207</u>

TRANSPORTATION

Salaries - Professional	40,382
Salaries - Non-Professional	2,167
Insurances	16,373
Fica, Retirement, Etc.	9,603
Purchased Services	52,358
Supplies & Materials	2,475
Other	253
Total Transportation	<u>\$123,611</u>

GENESEE INTERMEDIATE SCHOOL DISTRICT - FLINT, MICHIGAN  
GENERAL FUND  
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES  
FOR THE YEAR ENDED JUNE 30, 2005

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SUPPORT SERVICES (Continued)

OTHER SUPPORT SERVICES

Salaries - Professional	\$427,769
Salaries - Non-Professional	617,608
Insurances	202,842
Fica, Retirement, Etc.	227,296
Other Benefits	2,919
Purchased Services	1,796,534
Supplies & Materials	18,846
Capital Outlay	183,258
Other	43,483
Total Other Support Services	<u>\$3,520,555</u>

Total Support Services	<u>\$13,203,743</u>
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Total Expenditures	\$14,943,519
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OTHER FINANCING USES

Transfers to Other Districts	610,243
Other Transfers	243,798
Total Other Financing Uses	<u>\$854,041</u>

<u>TOTAL EXPENDITURES AND OTHER FINANCING USES</u>	<u><u>\$15,797,560</u></u>
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GENESEE INTERMEDIATE SCHOOL DISTRICT - FLINT, MICHIGAN  
SPECIAL EDUCATION FUND  
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES  
FOR THE YEAR ENDED JUNE 30, 2005

INSTRUCTION

Salaries - Professional	\$4,869,737
Salaries - Non-Professional	4,299,354
Insurances	2,302,762
Fica, Retirement, Etc.	2,060,812
Other Benefits	24,806
Purchased Services	42,350
Supplies & Materials	172,599
Capital Outlay	158,214
Other	522
Total Instruction	<u>\$13,931,156</u>

SUPPORT SERVICESSTUDENT SERVICES

Salaries - Professional	4,602,338
Salaries - Non-Professional	647,760
Insurances	1,101,771
Fica, Retirement, Etc.	1,176,098
Other Benefits	1,779
Purchased Services	196,275
Supplies & Materials	152,877
Capital Outlay	22,284
Other	310
Total Student Services	<u>\$7,901,492</u>

INSTRUCTIONAL STAFF

Salaries - Professional	185,844
Salaries - Non-Professional	219,573
Insurances	114,684
Fica, Retirement, Etc.	88,049
Other Benefits	750
Purchased Services	396,207
Supplies & Materials	56,254
Capital Outlay	15,690
Total Instructional Staff	<u>\$1,077,051</u>

GENERAL ADMINISTRATION

Salaries - Professional	219,631
Salaries - Non-Professional	90,690
Insurances	66,980
Fica, Retirement, Etc.	68,588
Purchased Services	594,002
Supplies & Materials	2,281
Other	29
Total General Administration	<u>\$1,042,201</u>

GENESEE INTERMEDIATE SCHOOL DISTRICT - FLINT, MICHIGAN  
SPECIAL EDUCATION FUND  
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES  
FOR THE YEAR ENDED JUNE 30, 2005

SUPPORT SERVICES (Continued)

SCHOOL ADMINISTRATION

Salaries - Professional	\$360,592
Insurances	68,108
Fica, Retirement, Etc.	79,862
Purchased Services	8,142
Supplies & Materials	1,411
Other	1,290
Total School Administration	<u>\$519,405</u>

BUSINESS ADMINISTRATION

Salaries - Professional	70,436
Salaries - Non-Professional	280,567
Insurances	75,777
Fica, Retirement, Etc.	77,393
Other Benefits	1,705
Purchased Services	166,089
Supplies & Materials	4,571
Capital Outlay	10,292
Other	7,604
Total Business Administration	<u>\$694,434</u>

OPERATION & MAINTENANCE OF PLANT

Salaries - Non-Professional	496,512
Insurances	163,727
Fica, Retirement, Etc.	134,450
Purchased Services	410,336
Supplies & Materials	384,554
Total Operation & Maintenance of Plant	<u>\$1,589,579</u>

TRANSPORTATION

Purchased Services	3,433,044
Supplies & Materials	2,599
Capital Outlay	1,043,137
Total Transportation	<u>\$4,478,780</u>

OTHER SUPPORT SERVICES

Salaries - Professional	177,078
Salaries - Non-Professional	122,014
Insurances	75,239
Fica, Retirement, Etc.	65,978
Other Benefits	1,315
Purchased Services	179,226
Supplies & Materials	5,429
Capital Outlay	603
Other	21,068
Total Other Support Services	<u>\$647,950</u>

Total Support Services	\$17,950,892
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GENESEE INTERMEDIATE SCHOOL DISTRICT - FLINT, MICHIGAN  
SPECIAL EDUCATION FUND  
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES  
FOR THE YEAR ENDED JUNE 30, 2005

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COMMUNITY SERVICES

Purchased Services	\$256,455
Supplies & Materials	39,388
Total Community Services	<u>\$295,843</u>

Total Expenditures	\$32,177,891
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OTHER FINANCING USES

Transfers to Other Districts	29,020,356
Transfers to Other Funds	2,543,137
Total Other Financing Uses	<u>\$31,563,493</u>

TOTAL EXPENDITURES AND OTHER FINANCING USES\$63,741,384

GENESEE INTERMEDIATE SCHOOL DISTRICT - FLINT, MICHIGAN  
CAREER TECHNICAL EDUCATION FUND  
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES  
FOR THE YEAR ENDED JUNE 30, 2005

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INSTRUCTION

Purchased Services	\$19,535
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SUPPORT SERVICES
STUDENT SERVICES

Purchased Services	806,846
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INSTRUCTIONAL STAFF

Salaries - Professional	247,237
Salaries - Non-Professional	59,725
Insurances	58,592
Fica, Retirement, Etc.	68,321
Other Benefits	2,711
Purchased Services	2,950,288
Supplies & Materials	36,658
Capital Outlay	26,542
Other	1,509
Total Instructional Staff	\$3,451,583

GENERAL ADMINISTRATION

Salaries - Professional	84,632
Salaries - Non-Professional	27,130
Insurances	13,246
Fica, Retirement, Etc.	24,273
Purchased Services	27,157
Supplies & Materials	1,346
Other	10
Total General Administration	\$177,794

BUSINESS ADMINISTRATION

Salaries - Professional	10,906
Salaries - Non-Professional	78,319
Insurances	20,802
Fica, Retirement, Etc.	19,763
Other Benefits	458
Purchased Services	23,506
Supplies & Materials	1,271
Other	2,903
Total Business Administration	\$157,928

OPERATION & MAINTENANCE OF PLANT

Salaries - Non-Professional	48,760
Insurances	14,631
Fica, Retirement, Etc.	13,330
Purchased Services	19,950
Supplies & Materials	34,056
Total Operation & Maintenance of Plant	\$130,727

GENESEE INTERMEDIATE SCHOOL DISTRICT - FLINT, MICHIGAN  
CAREER TECHNICAL EDUCATION FUND  
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES  
FOR THE YEAR ENDED JUNE 30, 2005

<u>SUPPORT SERVICES</u> (Continued)	
<u>TRANSPORTATION</u>	
Purchased Services	\$56,729
<u>OTHER SUPPORT SERVICES</u>	
Salaries - Professional	27,926
Salaries - Non-Professional	38,611
Insurances	18,766
Fica, Retirement, Etc.	14,652
Other Benefits	438
Purchased Services	9,006
Supplies & Materials	2,482
Other	152
Total Other Support Services	<u>\$112,033</u>
Total Support Services	<u>\$4,893,640</u>
Total Expenditures	\$4,913,175
<u>OTHER FINANCING USES</u>	
Transfers to Other Districts	9,677,411
Transfers to Other Funds	1,000,000
Total Other Financing Uses	<u>\$10,677,411</u>
<u>TOTAL EXPENDITURES AND OTHER FINANCING USES</u>	<u><u>\$15,590,586</u></u>

GENESEE INTERMEDIATE SCHOOL DISTRICT - FLINT, MICHIGAN  
TRUST AND AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS - OTHER GROUPS  
FOR THE YEAR ENDED JUNE 30, 2005

	DUE TO (FROM) OTHER GROUPS		DUE TO (FROM) OTHER GROUPS	
	JULY 1, 2004	RECEIPTS	DISBURSEMENTS	JUNE 30, 2005
<u>LEARNING CENTER ACTIVITIES</u>				
Alumni Party	\$110	\$903	\$518	\$495
Boxtops for Education	296	302	0	598
Camping	195	4,458	3,934	719
Cartridges	847	1,002	1,000	849
Cheerleaders	1,260	329	634	955
Christmas	1	0	0	1
Donations	9,724	6,041	6,029	9,736
Earth Day	554	0	0	554
Formal Wear	25	0	0	25
Graduation	115	1,980	1,519	576
Music	14,100	7	14,100	7
Phys Ed	288	0	0	288
Physical Therapy	482	0	0	482
Prom	1,392	2,734	4,040	86
Room & Building Accounts	2,769	4,283	3,602	3,450
S.K.I.P.	486	519	417	588
Senior Trip	5,664	9,929	9,402	6,191
Student Council	633	701	527	807
Volkman Memorial	2,164	0	129	2,035
Total Learning Center Activities	\$41,105	\$33,188	\$45,851	\$28,442
<u>MCIC ACTIVITIES</u>				
Bowling	450	0	285	165
Donations	9,853	2,167	4,078	7,942
Ellison	218	4,100	4,317	1
Fundraisers	26,137	15,810	18,825	23,122
Graduation	136	1,218	1,331	23
Homecoming	217	0	0	217
Music	97	150	32	215
Playgrounds	17,691	0	0	17,691
Popcorn	120	88	108	100
Rembcom	743	6,148	6,459	432
Rooms	2,168	4,196	3,632	2,732
School Store	1,000	181	0	1,181
Special Olympics	0	3,000	649	2,351
Speech	696	212	15	893
Student Portfolios	0	2,890	2,405	485
Summer Carnival	781	200	754	227
Swimming	216	0	0	216
TPA	1,137	3,272	3,570	839
Wellness - HR	0	1,585	859	726
Total MCIC Activities	\$61,662	\$45,217	\$47,319	\$59,560

GENESEE INTERMEDIATE SCHOOL DISTRICT - FLINT, MICHIGAN  
TRUST AND AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS - OTHER GROUPS  
FOR THE YEAR ENDED JUNE 30, 2005

	DUE TO (FROM) OTHER GROUPS		DUE TO (FROM) OTHER GROUPS	
	JULY 1, 2004	RECEIPTS	DISBURSEMENTS	JUNE 30, 2005
<u>MOTT MIDDLE COLLEGE</u>				
Band CD	\$1,821	\$1,157	\$2,248	\$730
Band Trip	175	1,945	2,120	0
Cedar Point Trip	163	3,724	3,797	90
Community Service	37	0	0	37
Conference	5,630	1,765	5,630	1,765
Environmental Club	103	0	0	103
Excel Class	19	0	0	19
Field Trip	0	267	0	267
Field Trip #2	20	0	0	20
Holocaust Class	488	0	0	488
Lit Magazine	23	0	0	23
Medieval	68	0	0	68
Mike Alexander Memorial Fund	75	0	0	75
Parent Organization	1,622	832	1,100	1,354
Prom Account	538	1,088	300	1,326
Senior Scholarship	1,052	0	0	1,052
Senior Class	0	2,652	2,647	5
Stratford	0	878	877	1
Steel Drum	6,533	7,081	12,898	716
Tuition	7	130	129	8
Yearbook	100	1,775	0	1,875
Total Mott Middle College	\$18,474	\$23,294	\$31,746	\$10,022
<u>EARLY CHILDHOOD PROGRAMS</u>				
Clothing Sales	640	1,200	696	1,144
Fundraiser	0	127	0	127
Raffle	435	5,413	5,039	809
Rooms	5,444	0	2,787	2,657
Snack Sales	311	0	176	135
Total Early Childhood Programs	\$6,830	\$6,740	\$8,698	\$4,872
<u>PAC LIBRARY MATERIALS</u>	0	235	0	235
<u>BUS SVC ENHANCE</u>	0	348	0	348
<u>VISION REIMBURSEMENT</u>	31,750	74,314	72,105	33,959
<u>MEDICAL REIMBURSEMENT</u>	1,066	156	1,019	203
<u>TOTAL TRUST AND AGENCY FUNDS</u>	\$160,887	\$183,492	\$206,738	\$137,641

GENESEE INTERMEDIATE SCHOOL DISTRICT - FLINT, MICHIGAN  
SCHEDULE OF BOND PRINCIPAL AND INTEREST REQUIREMENTS  
AS OF JUNE 30, 2005

1998 DURANT RESOLUTION PACKAGE BONDS

DATE OF ISSUE - November 24, 1998

Original amount of issue - \$3,150,338

	PRINCIPAL REQUIREMENT	INTEREST RATE	INTEREST REQUIREMENT	TOTAL FISCAL YEAR REQUIREMENTS
<u>PAYMENT DATE - MAY 15TH</u>				
2006	\$152,488	4.761353%	\$68,739	\$221,227
2007	728,673	4.761353%	315,261	1,043,934
2008	167,356	4.761353%	53,874	221,230
2009	175,327	4.761353%	45,906	221,233
2010	183,666	4.761353%	37,558	221,224
2011	192,414	4.761353%	28,813	221,227
2012	201,564	4.761353%	19,651	221,215
2013	211,159	4.761353%	10,053	221,212
<u>TOTAL</u>	<u>\$2,012,647</u>		<u>\$579,855</u>	<u>\$2,592,502</u>

GENESEE INTERMEDIATE SCHOOL DISTRICT

FLINT, MICHIGAN

FEDERAL AWARDS  
SUPPLEMENTAL INFORMATION

FOR THE YEAR ENDED JUNE 30, 2005

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*Lewis & Knopf, CPAs, P.C.*

Serving You with Trust and Integrity

September 27, 2005

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND  
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Board of Education of  
Genesee Intermediate School District

We have audited the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of Genesee Intermediate School District, as of and for the year ended June 30, 2005, which collectively comprise the Genesee Intermediate School District's financial statements and have issued our report thereon dated September 27, 2005. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Genesee Intermediate School District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Genesee Intermediate School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the finance committee, management, Board of Education, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Lewis & Knopf, P.C.*

LEWIS & KNOPF, P.C.  
CERTIFIED PUBLIC ACCOUNTANTS



*Lewis & Knopf, CPAs, P.C.*

Serving You with Trust and Integrity

September 27, 2005

**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR  
PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE  
WITH OMB CIRCULAR A-133**

To the Board of Education of  
Genesee Intermediate School District

Compliance

We have audited the compliance of Genesee Intermediate School District with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2005. Genesee Intermediate School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Genesee Intermediate School District's management. Our responsibility is to express an opinion on Genesee Intermediate School District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Genesee Intermediate School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Genesee Intermediate School District's compliance with those requirements.

In our opinion, Genesee Intermediate School District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2005.

Internal Control Over Compliance

The management of Genesee Intermediate School District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Genesee Intermediate School District's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.



Genesee Intermediate School District  
Page 2  
September 27, 2005

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of Genesee Intermediate School District, as of and for the year ended June 30, 2005, and have issued our report thereon dated September 27, 2005. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the Genesee Intermediate School District's, basic financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of the finance committee, management, Board of Education, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

LEWIS & KNOPF, P.C.  
CERTIFIED PUBLIC ACCOUNTANTS

GENESEE INTERMEDIATE SCHOOL DISTRICT - FLINT, MICHIGAN  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2005

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/ PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS- THROUGH PROJECT NUMBER	PROGRAM OR AWARD AMOUNT
<u>DIRECT PROGRAMS</u>			
Safe & Drug Free Learning	84.184L		
Safe & Drug Free Learning (03-04)		S184L020281-3	\$2,000,000
Safe & Drug Free Learning (04-05)		S184L020281-04	1,996,925
Total Safe & Drug Free Learning			<u>\$3,996,925</u>
Carolyn M. White Physical Education Program	84.215F		
Carolyn M. White Physical Education Program (03-04)		Q215F031137	357,717
Emergency Management/Crisis Response (03-04)	87.184E	Q184E030509	500,000
Total Direct Programs			<u>\$4,854,642</u>
<u>U.S. DEPARTMENT OF EDUCATION</u>			
<u>Passed Through Michigan Department of Education:</u>			
Title I Grants to Local Education Agencies	84.010		
Title I Reg Assist/High (04-05)		41570-0405	40,000
Special Education - Grants to States	84.027		
Technology and Materials Training (03-04)		40480-TMT	24,166
Technology and Materials Training (04-05)		50480-TMT	23,835
Enhancing Opportunities for Students with Disabilities (03-04)		40480-EOSD	50,000
Enhancing Opportunities for Students with Disabilities (04-05)		50480-EOSD	50,000
Transition Services (03-04)		40490-TS	105,000
Transition Services (04-05)		50490-TS	105,000
Capacity Building (03-04)		40490-CB	215,605
Capacity Building (04-05)		50490-CB	165,556
IDEA Flowthrough (03-04)		40450-0304	13,444,924
IDEA Flowthrough (04-05)		50450-0405	15,591,154
Total Special Education - Grants to States			<u>\$29,775,240</u>
Career Technical Education - Basic Grants to States	84.048		
Secondary Regional Allocation (03-04)		43520-401215	1,312,789
Secondary Regional Allocation (04-05)		53520-5012-15	1,368,879
Curriculum Development (04-05)		43270-50273	66,200
Total Career Technical Education - Basic Grants to States			<u>\$2,747,868</u>
Special Education - Preschool Grants	84.173		
Preschool Incentive (03-04)		40460-0304	533,445
Preschool Incentive (04-05)		50460-0405	532,360
Total Special Education - Preschool Grants			<u>\$1,065,805</u>

ACCRUED (DEFERRED) REVENUE JULY 1, 2004	PRIOR YEAR EXPENDITURES	CURRENT YEAR EXPENDITURES	ADJUSTMENTS PRIOR YEARS	CURRENT YEAR CASH/ PAYMENTS IN KIND RECEIVED	ACCRUED (DEFERRED) REVENUE JUNE 30, 2005
\$261,632	\$664,704	\$1,302,560	\$0	\$1,547,973	\$16,219
0	0	134,482	0	20,953	113,529
\$261,632	\$664,704	\$1,437,042	\$0	\$1,568,926	\$129,748
34,852	275,449	82,268	0	117,120	0
34,662	93,769	314,716	0	338,651	10,727
\$331,146	\$1,033,922	\$1,834,026	\$0	\$2,024,697	\$140,475
0	0	29,737	0	28,230	1,507
6,944	23,770	0	0	6,944	0
0	0	23,835	0	10,404	13,431
3,346	48,063	0	0	3,346	0
0	0	50,000	0	48,570	1,430
14,912	102,115	0	0	14,912	0
0	0	105,000	0	46,718	58,282
12,311	189,363	0	0	12,311	0
0	0	164,078	0	117,808	46,270
3,855,148	12,836,685	608,239	0	4,463,387	0
0	0	15,543,371	0	10,106,036	5,437,335
\$3,892,661	\$13,199,996	\$16,494,523	\$0	\$14,830,436	\$5,556,748
313,433	1,312,789	0	0	313,433	0
0	0	1,368,879	0	1,032,583	336,296
0	0	16,994	0	0	16,994
\$313,433	\$1,312,789	\$1,385,873	\$0	\$1,346,016	\$353,290
121,644	520,484	12,961	0	134,605	0
0	0	524,615	0	379,421	145,194
\$121,644	\$520,484	\$537,576	\$0	\$514,026	\$145,194

GENESEE INTERMEDIATE SCHOOL DISTRICT - FLINT, MICHIGAN  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2005

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/ PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS- THROUGH PROJECT NUMBER	PROGRAM OR AWARD AMOUNT
<u>U.S. DEPARTMENT OF EDUCATION (Continued)</u>			
<u>Passed Through Michigan Department of Education(Continued):</u>			
Special Education - Grants for Infants & Families With Disabilities	84.181		
Infant and Toddlers Formula Grant (03-04)		41340-190	\$563,830
Infant and Toddlers Formula Grant (04-05)		51340-190	492,730
Total Special Education - Grants for Infants & Families With Disabilities			<u>\$1,056,560</u>
Safe & Drug Free Schools & Communities - State Grants	84.186		
Safe & Drug Free Grants (03-04)		42860-0304	416,892
Safe & Drug Free Grants C/O (03-04)		42860-0405	117,272
Safe & Drug Free Grants (04-05)		52860-0405	411,841
Total Safe & Drug Free Schools & Communities - State Grants			<u>\$946,005</u>
Education for Homeless Children and Youth	84.196		
HAA VII-B Homeless Child Education (04-05)		52320-0405	32,243
William F. Goodling Even Start Family Literacy Grant	84.213		
Even Start Family Literacy Health (03-04)		40390/B04100CES	225,000
Even Start Family Literacy Health (04-05)		50390-C0534CES	225,000
Even Start Family Literacy (03-04)		30390-A0402IES	225,000
Even Start Family Literacy (04-05)		50390-B0538CES	225,000
Total Even Start Family Literacy			<u>\$900,000</u>
MI Model Part for Character Education	84.215		
MI Model Part for Character Education C/O (02-03)		31470-CE20031C	31,583
MI Model Part for Character Education C/O (03-04)		41470-CO2004	72,723
MI Model Part for Character Education (03-04)		41470-CE2004	94,323
Total MI Model Part for Character Education			<u>\$198,629</u>
Tech-Prep Education	84.243A		
Career Technical Education - Tech Prep (03-04)		43540-401515	200,086
Career Technical Education - Tech Prep (04-05)		53540-5014-15	190,135
Total Tech-Prep Education			<u>\$390,221</u>
Innovative Education Program Strategies	84.298		
IASA Title V - Improving America's Schools Act C/O (02-03)		30250-0304	638
IASA Title V - Improving America's Schools Act (03-04)		40250-0304	134,144
IASA Title V - Improving America's Schools Act (04-05)		50250-0405	106,490
Total IASA Title V - Improving America's Schools Act			<u>\$241,272</u>
Mathematics and Science Partnerships (04-05)	84.366	42410-MSPW2004	217,953

ACCRUED (DEFERRED) REVENUE JULY 1, 2004	PRIOR YEAR EXPENDITURES	CURRENT YEAR EXPENDITURES	ADJUSTMENTS PRIOR YEARS	CURRENT YEAR CASH/ PAYMENTS IN KIND RECEIVED	ACCRUED (DEFERRED) REVENUE JUNE 30, 2005
\$26,745	\$245,298	\$318,507	\$0	\$307,435	\$37,817
0	0	155,330	0	91,108	64,222
\$26,745	\$245,298	\$473,837	\$0	\$398,543	\$102,039
19,261	299,621	0	0	19,261	0
0	0	117,272	0	87,034	30,238
0	0	249,927	0	200,341	49,586
\$19,261	\$299,621	\$367,199	\$0	\$306,636	\$79,824
0	0	20,997	0	18,572	2,425
30,303	225,000	0	0	30,303	0
0	0	225,000	0	204,841	20,159
135,923	225,000	0	0	135,923	0
0	0	225,000	0	79,658	145,342
\$166,226	\$450,000	\$450,000	\$0	\$450,725	\$165,501
21,588	31,583	0	0	21,588	0
0	0	72,723	0	23,472	49,251
0	20,290	1,310	0	1,310	0
\$21,588	\$51,873	\$74,033	\$0	\$46,370	\$49,251
167,626	200,086	0	0	167,626	0
0	0	190,135	0	37,970	152,165
\$167,626	\$200,086	\$190,135	\$0	\$205,596	\$152,165
637	637	0	0	637	0
10,102	49,326	84,818	0	94,920	0
0	0	47,048	0	41,849	5,199
\$10,739	\$49,963	\$131,866	\$0	\$137,406	\$5,199
0	0	106,555	0	97,803	8,752

GENESEE INTERMEDIATE SCHOOL DISTRICT - FLINT, MICHIGAN  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2005

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/ PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS- THROUGH PROJECT NUMBER	PROGRAM OR AWARD AMOUNT
<u>U.S. DEPARTMENT OF EDUCATION (Continued)</u>			
<u>Passed Through Michigan Department of Education(Continued):</u>			
Improving Teacher Quality	84.367B		
Title IIa -Teacher & Principal Training (03-04)		40520-0304	\$4,881
Total Passed Through the Michigan Department of Education			<u>\$37,616,677</u>
Passed from Center Academy, Westwood Heights School District and Beecher School District	84.010		
Title I Bridges Plus		N/A	42,000
<u>Passed Through Genesee County Community Mental Health</u>			
Education for Homeless Children and Youth	84.196		
Strong Family/Safe Children (03-04)		N/A	10,000
<u>Passed Through Oakland Schools</u>			
Reading First	84.357		
Reading First State Grants (03-04)		071B3001242	30,000
Reading First State Grants (04-05)		071B3001242	40,000
Total Reading First			<u>\$70,000</u>
<u>Passed Through Flint Community Schools</u>			
English Language Acquisition Grants	84.365		
Title III Immigrant Education (02-03)		30580-0203	8,737
Title III Immigrant Education C/O (04-05)		40580-0405	5,163
Title III Reg Limited English Proficient Students (03-04)		40580-0304	17,815
Total Immigrant Education			<u>\$31,715</u>
<u>TOTAL U.S. DEPARTMENT OF EDUCATION</u>			\$42,625,034
<u>U.S. DEPARTMENT OF AGRICULTURE</u>			
<u>Passed Through Michigan State University</u>			
Color Me Healthy	10.551	61-5001G	59,995
<u>U.S. DEPARTMENT OF LABOR</u>			
<u>Passed Through Career Alliance, Inc.</u>			
WIA Youth Activities	17.259		
SYETP (03-04)		007-K-03	81,434
SYETP (04-05)		007-K-4	71,240
WIA Title I Year Round Youth Services (03-04)		007-K-03	248,412
WIA Title I Year Round Youth Services (04-05)		007-K-4	<u>144,165</u>
<u>TOTAL U.S. DEPARTMENT OF LABOR</u>			\$545,251



ACCRUED (DEFERRED) REVENUE JULY 1, 2004	PRIOR YEAR EXPENDITURES	CURRENT YEAR EXPENDITURES	ADJUSTMENTS PRIOR YEARS	CURRENT YEAR CASH/ PAYMENTS IN KIND RECEIVED	ACCRUED (DEFERRED) REVENUE JUNE 30, 2005
<u>\$75</u> \$4,739,998	<u>\$4,265</u> \$16,334,375	<u>\$820</u> \$20,263,151	<u>\$0</u> \$0	<u>\$692</u> \$18,381,051	<u>\$203</u> \$6,622,098
0	0	36,203	0	35,200	1,003
0	5,648	0	0	0	0
0	29,584	0	0	0	0
<u>0</u>	<u>0</u>	<u>40,000</u>	<u>0</u>	<u>40,000</u>	<u>0</u>
\$0	\$29,584	\$40,000	\$0	\$40,000	\$0
0	3,468	0	0	0	0
0	0	5,163	0	5,163	0
<u>(11,173)</u>	<u>6,642</u>	<u>5,738</u>	<u>5,435</u>	<u>0</u>	<u>0</u>
(\$11,173)	\$10,110	\$10,901	\$5,435	\$5,163	\$0
\$5,059,971	\$17,413,639	\$22,184,281	\$5,435	\$20,486,111	\$6,763,576
0	0	22,886	0	0	22,886
0	75,444	0	0	0	0
0	0	71,219	0	71,219	0
43,825	140,209	0	0	43,825	0
<u>0</u>	<u>0</u>	<u>99,395</u>	<u>0</u>	<u>56,787</u>	<u>42,608</u>
\$43,825	\$215,653	\$170,614	\$0	\$171,831	\$42,608

GENESEE INTERMEDIATE SCHOOL DISTRICT - FLINT, MICHIGAN  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2005

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/ PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS- THROUGH PROJECT NUMBER	PROGRAM OR AWARD AMOUNT
<u>U.S. DEPARTMENT OF HEALTH &amp; HUMAN SERVICES</u>			
<u>Passed Through Family Independence Agency</u>			
0-3 Secondary Prevention	93.558	CTFPR-05-25001	\$61,688
<u>Passed Through the Michigan Department of Social Services</u>	93.778		
Medical Assistance Program Title XIX			
School Based Services - Transportation		N/A	37,146
Medicaid Outreach		N/A	715,658
Total Medical Assistance Program Title XIX			<u>\$752,804</u>
<u>Passed Through Michigan State University</u>			
Team Nutrition (03-04)	93.991	N/A	<u>2,000</u>
<u>TOTAL U.S. DEPARTMENT OF HEALTH &amp; HUMAN SERVICES</u>			<u>\$816,492</u>
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>			
<u>Passed Through Michigan State Police</u>			
State Homeland Security (03-04)	97.004	N/A	<u>343,250</u>
<u>TOTAL SCHEDULE OF FEDERAL AWARDS</u>			<u><u>\$44,390,022</u></u>

ACCRUED (DEFERRED) REVENUE JULY 1, 2004	PRIOR YEAR EXPENDITURES	CURRENT YEAR EXPENDITURES	ADJUSTMENTS PRIOR YEARS	CURRENT YEAR CASH/ PAYMENTS IN KIND RECEIVED	ACCRUED (DEFERRED) REVENUE JUNE 30, 2005
\$0	\$0	\$6,221	\$0	\$0	\$6,221
0	0	37,146	0	37,146	0
0	0	715,658	0	715,658	0
<u>\$0</u>	<u>\$0</u>	<u>\$752,804</u>	<u>\$0</u>	<u>\$752,804</u>	<u>\$0</u>
0	1,675	0	0	0	0
\$0	\$1,675	\$759,025	\$0	\$752,804	\$6,221
281,262	281,262	61,938	0	343,200	0
<u>\$5,385,058</u>	<u>\$17,912,229</u>	<u>\$23,198,744</u>	<u>\$5,435</u>	<u>\$21,753,946</u>	<u>\$6,835,291</u>

GENESEE INTERMEDIATE SCHOOL DISTRICT - FLINT, MICHIGAN  
NOTES/RECONCILIATION TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2005

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FEDERAL REVENUE RECOGNIZED FOR THE SCHEDULE  
OF EXPENDITURES OF FEDERAL AWARDS

\$23,198,744

FEDERAL REVENUE RECOGNIZED PER THE GENERAL  
PURPOSE FINANCIAL STATEMENTS

General Fund \$3,193,383

Special Education Fund 18,429,354

Career Technical Education Fund 1,576,007

TOTAL \$23,198,744

- 1) The Schedule of Expenditures of Federal Awards had been prepared under the modified accrual basis of accounting.
- 2) Management has utilized the Grants Section Auditors Report (Form R7120) in preparing the Schedule of Expenditures of Federal Awards. All differences between the Schedule of Expenditures of Federal Awards and the Form R7120 have been reconciled in the attached reconciliation on page 9 of this report.
- 3) An adjustment of \$5,435 was made to the Title III Reg Limited English Proficient Students 03-04 (CFDA 84.365) due to unspent funds being returned to Flint Community Schools.

GENESEE INTERMEDIATE SCHOOL DISTRICT - FLINT, MICHIGAN  
RECONCILIATION OF FORM R 7120 "GRANT SECTION AUDITOR'S REPORT"  
TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2005

Current Payments Per the Grant Section Auditor's Report (Form R 7120)		\$18,375,999
<u>Add:</u> Grants Passed Through Other Agencies:		
Direct Programs		
Safe & Drug Free Learning	\$1,568,926	
Carolyn M. White Physical Education Program	117,120	
Emergency Response	338,651	
Total Direct Programs		2,024,697
Passed from Center Academy, Westwood Heights School District and Beecher School District		
Title I Bridges Plus		35,200
Passed Through Oakland Schools		
Reading First State Grants (CFDA 84.357)		40,000
Passed Through Flint Community Schools		
English Language Acquisition Grants (CFDA 84.365)		5,163
Passed Through Career Alliance, Inc.		
WIA (CFDA 17.259)		171,831
Passed Through the Michigan Department of Social Services		
Medical Assistance Program Title XIX (CFDA 93.778)		752,804
Passed Through Michigan State Police		
State Homeland Security (CFDA 97.004)		343,200
<u>Add:</u> Adjustment resulting from checks due back to the State of Michigan shown as negative amounts on the current year R7120		5,052
<u>TOTAL CURRENT YEAR RECEIPTS PER SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS</u>		<u>\$21,753,946</u>

GENESEE INTERMEDIATE SCHOOL DISTRICT - FLINT, MICHIGAN  
SUMMARY OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2005

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**SECTION I – SUMMARY OF AUDITOR’S RESULTS**

**Financial Statements**

Type of auditor’s report issued:

Unqualified

Internal control over financial reporting:

- Material weakness(es) identified? ☐ Yes ☒ No
- Reportable condition(s) identified that are not considered to be material weaknesses? ☐ Yes ☒ None reported

Noncompliance material to financial statements noted?

☐ Yes ☒ No

**Federal Awards**

Internal control over major programs:

- Material weakness(es) identified? ☐ Yes ☒ No
- Reportable condition(s) identified that are not considered to be material weaknesses? ☐ Yes ☒ None reported

Type of auditor’s report issued on compliance for major programs:

Unqualified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133?

☐ Yes ☒ No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.184L	Safe & Drug Free Learning
84.027/84.173	Special Education Cluster
84.048	Career Technical Education - Basic Grants to States
93.778	Medical Assistance Program Title XIX

Dollar threshold use to distinguish between type A and type B programs:

\$695,962

Auditee qualified as low-risk auditee?

☐ Yes ☒ No

**SECTION II – FINANCIAL STATEMENT FINDINGS**

There were no current year findings.

**SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

There were no current year findings.

GENESEE INTERMEDIATE SCHOOL DISTRICT - FLINT, MICHIGAN  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2005

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2004-1) Medical Assistance Program (CFDA 93.778)

<u>Specific Requirement:</u>	Allowable Cost/Cost Principles and Sub-Recipient Monitoring.
<u>Condition:</u>	A local District claimed two teachers salaries for one teaching position on their Medicaid Administrative Outreach claim, and another District could not find supporting documentation for travel expenses on their claim.
<u>Criteria:</u>	Only one salary per teacher position is allowed.
<u>Effect of Condition:</u>	Salaries, benefits or other expenses charged to the program could be disallowed.
<u>Cause of Condition:</u>	The cause of the condition was the lack of knowledge by the local district and oversight by the Intermediate School District.
<u>Recommendation:</u>	The special education internal monitor should sample different Medicaid Administrative claims per quarter filed by the local districts and trace back all claimed amounts back to supporting documentation.
<u>Status:</u>	The District still needs to develop a monitoring process with increased oversight of the local districts Medicaid claims.
<u>Questioned Cost:</u>	Unknown.

GENESEE INTERMEDIATE SCHOOL DISTRICT - FLINT, MICHIGAN  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS PROVIDED TO SUBRECIPIENTS  
FOR THE YEAR ENDED JUNE 30, 2005

FEDERAL GRANTOR/PROGRAM TITLE/ SUBRECIPIENT	FEDERAL CFDA NUMBER	SUBRECIPIENT PROJECT NUMBER	SUBRECIPIENT AWARD AMOUNT
<u>DIRECT PROGRAMS</u>			
<u>Safe &amp; Drug Free Learning (03-04)</u>	84.184L		
Atherton Community Schools		S184LO20281-3	\$17,415
Beecher School District		S184LO20281-3	15,794
Bendle Public Schools		S184LO20281-3	21,281
Bentley Community School District		S184LO20281-3	13,167
Carman-Ainsworth School District		S184LO20281-3	14,323
Clio Area Schools		S184LO20281-3	8,834
Fenton Area Public Schools		S184LO20281-3	1,393
Flushing Community Schools		S184LO20281-3	1,200
Genesee School District		S184LO20281-3	11,155
Goodrich Area Schools		S184LO20281-3	5,954
Grand Blanc Community Schools		S184LO20281-3	2,406
Kearsley Community Schools		S184LO20281-3	13,481
Lake Fenton Community Schools		S184LO20281-3	15,568
LakeVille Community Schools		S184LO20281-3	9,224
Linden Community Schools		S184LO20281-3	1,895
Montrose Community Schools		S184LO20281-3	1,204
Mt. Morris Consolidated Schools		S184LO20281-3	10,896
Swartz Creek Community Schools		S184LO20281-3	8,328
Westwood Heights Schools		S184LO20281-3	9,624
<u>Total Safe &amp; Drug Free Learning (03-04)</u>			<u>\$183,142</u>
<u>Safe &amp; Drug Free Learning (04-05)</u>	84.184L		
Beecher School District		S184LO20281-4	735
Flushing Community Schools		S184LO20281-4	1,200
Genesee School District		S184LO20281-5	7,786
Linden Community Schools		S184LO20281-4	440
Westwood Heights Schools		S184LO20281-4	145
<u>Total Safe &amp; Drug Free Learning (04-05)</u>			<u>\$10,306</u>



DUE TO SUBRECIPIENTS JULY 1, 2004	SUBRECIPIENT'S PRIOR YEAR EXPENDITURES	CURRENT YEAR CASH TRANSFERRED TO SUBRECIPIENTS	FEDERAL EXPENDITURES REPORTED BY SUBRECIPIENTS	DUE TO SUBRECIPIENTS JUNE 30, 2005
\$0	\$0	\$17,415	\$17,415	\$0
0	0	15,794	15,794	0
0	1,200	20,081	20,081	0
0	0	13,167	13,167	0
0	0	14,323	14,323	0
0	1,200	6,186	8,834	2,648
0	0	1,393	1,393	0
0	1,200	0	0	0
0	0	11,155	11,155	0
0	0	5,954	5,954	0
0	1,200	1,206	1,206	0
0	4,562	8,919	8,919	0
0	1,188	14,380	14,380	0
1,200	1,200	9,224	8,024	0
0	1,200	695	695	0
0	0	1,204	1,204	0
0	1,200	9,696	9,696	0
0	1,199	7,129	7,129	0
0	0	9,624	9,624	0
<u>\$1,200</u>	<u>\$15,349</u>	<u>\$167,545</u>	<u>\$168,993</u>	<u>\$2,648</u>
0	0	0	735	735
0	0	1,200	1,200	0
0	0	0	7,786	7,786
0	0	440	440	0
0	0	145	145	0
<u>\$0</u>	<u>\$0</u>	<u>\$1,785</u>	<u>\$10,306</u>	<u>\$8,521</u>

GENESEE INTERMEDIATE SCHOOL DISTRICT - FLINT, MICHIGAN  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS PROVIDED TO SUBRECIPIENTS  
FOR THE YEAR ENDED JUNE 30, 2005

FEDERAL GRANTOR/PROGRAM TITLE/ SUBRECIPIENT	FEDERAL CFDA NUMBER	SUBRECIPIENT PROJECT NUMBER	SUBRECIPIENT AWARD AMOUNT
<u>DIRECT PROGRAMS</u> (Continued)			
<u>PEP - C.M. White Physical Fitness (03-04)</u>	84.215F		
Atherton Community Schools		Q215F031137	\$4,925
Beecher School District		Q215F031137	4,925
Bendle Public Schools		Q215F031137	7,632
Byron Area Schools		Q215F031137	4,937
Carman-Ainsworth School District		Q215F031137	4,734
Center Academy		Q215F031137	4,937
Clio Area Schools		Q215F031137	858
Corunna Public Schools		Q215F031137	4,937
Davison Community Schools		Q215F031137	4,937
Durand Area Schools		Q215F031137	4,937
Fenton Area Public Schools		Q215F031137	4,780
Flint Community Schools		Q215F031137	937
Flushing Community Schools		Q215F031137	4,937
Genesee School District		Q215F031137	937
Goodrich Area Schools		Q215F031137	4,996
Grand Blanc Community Schools		Q215F031137	4,619
International Academy of Flint		Q215F031137	4,677
Kearsley Community Schools		Q215F031137	4,000
Lake Fenton Community Schools		Q215F031137	4,823
Lainsburg Community Schools		Q215F031137	4,937
Lakeville Community Schools		Q215F031137	4,561
Linden Community Schools		Q215F031137	4,886
Linden Charter Academy		Q215F031137	4,954
Mt. Morris Consolidated Schools		Q215F031137	4,937
New Lothrop		Q215F031137	4,882
North Branch Schools		Q215F031137	4,937
Westwood Heights Schools		Q215F031137	4,913
<u>Total PEP - C.M. White Physical Fitness (03-04)</u>			<u>\$121,472</u>
<u>TOTAL DIRECT PROGRAMS</u>			\$314,920

DUE TO SUBRECIPIENTS JULY 1, 2004	SUBRECIPIENT'S PRIOR YEAR EXPENDITURES	CURRENT YEAR CASH TRANSFERRED TO SUBRECIPIENTS	FEDERAL EXPENDITURES REPORTED BY SUBRECIPIENTS	DUE TO SUBRECIPIENTS JUNE 30, 2005
\$3,988	\$3,988	\$4,925	\$937	\$0
0	3,988	937	937	0
0	4,000	3,632	3,632	0
0	4,000	937	937	0
0	3,807	927	927	0
0	4,000	937	937	0
0	0	858	858	0
0	4,000	937	937	0
0	4,000	937	937	0
0	4,000	937	937	0
0	3,994	786	786	0
0	0	937	937	0
0	4,000	937	937	0
0	0	937	937	0
0	4,000	996	996	0
0	3,682	937	937	0
0	3,740	937	937	0
0	4,000	0	0	0
0	3,886	937	937	0
0	4,000	937	937	0
0	3,624	937	937	0
0	3,949	937	937	0
0	4,017	937	937	0
0	4,000	937	937	0
0	4,000	882	882	0
0	4,000	937	937	0
0	4,000	913	913	0
<u>\$3,988</u>	<u>\$94,675</u>	<u>\$30,785</u>	<u>\$26,797</u>	<u>\$0</u>
\$5,188	\$110,024	\$200,115	\$206,096	\$11,169

GENESEE INTERMEDIATE SCHOOL DISTRICT - FLINT, MICHIGAN  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS PROVIDED TO SUBRECIPIENTS  
FOR THE YEAR ENDED JUNE 30, 2005

FEDERAL GRANTOR/PROGRAM TITLE/ SUBRECIPIENT	FEDERAL CFDA NUMBER	SUBRECIPIENT PROJECT NUMBER	SUBRECIPIENT AWARD AMOUNT
<u>U.S. DEPARTMENT OF EDUCATION</u>			
<u>IDEA Flowthrough (03-04)</u>	84.027		
Academy of Flint		040450-0304	\$26,506
Atherton Community Schools		040450-0304	175,446
Beecher School District		040450-0304	253,702
Bendle Public Schools		040450-0304	271,373
Bentley Community School District		040450-0304	194,379
Burton Glen Academy		040450-0304	79,519
Carman-Ainsworth School District		040450-0304	897,424
Center Academy		040450-0304	53,012
Clio Area Schools		040450-0304	493,520
Davison Community Schools		040450-0304	729,552
Fenton Area Public Schools		040450-0304	585,661
Flint Community Schools		040450-0304	3,332,208
Flushing Community Schools		040450-0304	617,216
Genesee Intermediate School District		040450-0304	880,985
Genesee School District		040450-0304	218,361
Goodrich Area Schools		040450-0304	242,342
Grand Blanc Academy		040450-0304	55,537
Grand Blanc Community Schools		040450-0304	843,150
International Academy of Flint		040450-0304	128,744
Kearsley Community Schools		040450-0304	475,849
Lake Fenton Community Schools		040450-0304	162,824
LakeVille Community Schools		040450-0304	276,422
Linden Charter Schools		040450-0304	58,061
Linden Community Schools		040450-0304	448,081
Montrose Community Schools		040450-0304	275,160
Mt. Morris Consolidated Schools		040450-0304	671,490
Northridge Academy		040450-0304	42,915
Richfield Academy		040450-0304	20,195
Swartz Creek Community Schools		040450-0304	682,850
Westwood Heights Schools		040450-0304	229,720
Woodland Park Academy		040450-0304	22,720
<u>Total IDEA Flowthrough (03-04)</u>			<u>\$13,444,924</u>

DUE TO SUBRECIPIENTS JULY 1, 2004	SUBRECIPIENT'S PRIOR YEAR EXPENDITURES	CURRENT YEAR CASH TRANSFERRED TO SUBRECIPIENTS	FEDERAL EXPENDITURES REPORTED BY SUBRECIPIENTS	DUE TO SUBRECIPIENTS JUNE 30, 2005
\$26,506	\$26,506	\$26,506	\$0	\$0
138,954	175,446	138,954	0	0
69,223	253,702	69,223	0	0
0	271,373	0	0	0
55,742	194,379	55,742	0	0
35,938	79,519	35,938	0	0
249,807	897,424	249,807	0	0
0	53,012	0	0	0
0	493,520	0	0	0
0	729,552	0	0	0
0	585,661	0	0	0
399,126	2,735,526	995,808	596,682	0
154,978	617,216	154,978	0	0
380,985	880,985	380,985	0	0
121,132	218,361	121,132	0	0
0	242,342	0	0	0
0	55,537	0	0	0
33,948	843,150	33,948	0	0
0	128,744	0	0	0
128,009	475,849	128,009	0	0
0	162,824	0	0	0
125,635	276,422	125,635	0	0
27,211	58,061	27,211	0	0
0	448,081	0	0	0
124,133	263,603	135,690	11,557	0
113,395	671,490	113,395	0	0
0	42,915	0	0	0
0	20,195	0	0	0
0	682,850	0	0	0
0	229,720	0	0	0
0	22,720	0	0	0
<u>\$2,184,722</u>	<u>\$12,836,685</u>	<u>\$2,792,961</u>	<u>\$608,239</u>	<u>\$0</u>

GENESEE INTERMEDIATE SCHOOL DISTRICT - FLINT, MICHIGAN  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS PROVIDED TO SUBRECIPIENTS  
FOR THE YEAR ENDED JUNE 30, 2005

FEDERAL GRANTOR/PROGRAM TITLE/ SUBRECIPIENT	FEDERAL CFDA NUMBER	SUBRECIPIENT PROJECT NUMBER	SUBRECIPIENT AWARD AMOUNT
<u>U.S. DEPARTMENT OF EDUCATION</u> (Continued)			
<u>IDEA Flowthrough (04-05)</u>	84.027		
Academy of Flint		050450-0405	\$53,929
Atherton Community Schools		050450-0405	206,969
Beecher School District		050450-0405	310,454
Bendle Public Schools		050450-0405	298,794
Bentley Community School District		050450-0405	209,884
Burton Glen Academy		050450-0405	46,641
Carman-Ainsworth School District		050450-0405	1,045,049
Center Academy		050450-0405	81,622
Clio Area Schools		050450-0405	591,757
Davison Community Schools		050450-0405	819,132
Fenton Area Public Schools		050450-0405	655,889
Flint Community Schools		050450-0405	3,772,088
Flushing Community Schools		050450-0405	725,850
Genesee School District		050450-0405	220,087
Genesee Intermediate School District		050450-0405	1,033,344
Goodrich Area Schools		050450-0405	303,166
Grand Blanc Community Schools		050450-0405	1,059,624
Grand Blanc Academy		050450-0405	80,164
International Academy of Flint		050450-0405	134,093
Kearsley Community Schools		050450-0405	564,064
Lake Fenton Community Schools		050450-0405	204,054
Lakeville Community Schools		050450-0405	304,624
Linden Community Schools		050450-0405	583,012
Linden Charter Schools		050450-0405	51,014
Montrose Community Schools		050450-0405	335,232
Mt. Morris Consolidated Schools		050450-0405	771,033
Northridge Academy		050450-0405	58,301
Richfield Academy		050450-0405	20,405
Swartz Creek Community Schools		050450-0405	776,863
Westwood Heights Schools		050450-0405	249,238
Woodland Park Academy		050450-0405	24,778
<u>Total IDEA Flowthrough (04-05)</u>			<u>\$15,591,154</u>
<u>Special Ed Technology Materials and Training (04-05)</u>	84.027		
Lapeer Intermediate School District		050480-TMT	2,981
Shiawasee Regional Educational Service Agency		050480-TMT	3,146
<u>Total Special Ed Technology Materials and Training (04-05)</u>			<u>\$6,127</u>

DUE TO SUBRECIPIENTS JULY 1, 2004	SUBRECIPIENT'S PRIOR YEAR EXPENDITURES	CURRENT YEAR CASH TRANSFERRED TO SUBRECIPIENTS	FEDERAL EXPENDITURES REPORTED BY SUBRECIPIENTS	DUE TO SUBRECIPIENTS JUNE 30, 2005
\$0	\$0	\$0	\$53,929	\$53,929
0	0	99,551	206,969	107,418
0	0	310,454	310,454	0
0	0	298,794	298,794	0
0	0	175,899	209,884	33,985
0	0	28,208	46,641	18,433
0	0	894,644	1,045,049	150,405
0	0	81,622	81,622	0
0	0	588,639	591,757	3,118
0	0	819,132	819,132	0
0	0	655,889	655,889	0
0	0	3,772,088	3,772,088	0
0	0	725,850	725,850	0
0	0	220,087	220,087	0
0	0	0	995,811	995,811
0	0	303,166	303,166	0
0	0	714,727	1,059,624	344,897
0	0	80,164	80,164	0
0	0	134,093	134,093	0
0	0	345,668	564,064	218,396
0	0	204,054	204,054	0
0	0	304,624	304,624	0
0	0	583,012	583,012	0
0	0	25,972	51,014	25,042
0	0	234,346	324,982	90,636
0	0	447,685	771,033	323,348
0	0	32,540	58,301	25,761
0	0	0	20,405	20,405
0	0	776,863	776,863	0
0	0	137,681	249,238	111,557
0	0	24,778	24,778	0
<u>\$0</u>	<u>\$0</u>	<u>\$13,020,230</u>	<u>\$15,543,371</u>	<u>\$2,523,141</u>
0	0	2,981	2,981	0
0	0	3,146	3,146	0
<u>\$0</u>	<u>\$0</u>	<u>\$6,127</u>	<u>\$6,127</u>	<u>\$0</u>

GENESEE INTERMEDIATE SCHOOL DISTRICT - FLINT, MICHIGAN  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS PROVIDED TO SUBRECIPIENTS  
FOR THE YEAR ENDED JUNE 30, 2005

FEDERAL GRANTOR/PROGRAM TITLE/ SUBRECIPIENT	FEDERAL CFDA NUMBER	SUBRECIPIENT PROJECT NUMBER	SUBRECIPIENT AWARD AMOUNT
<u>U.S. DEPARTMENT OF EDUCATION</u> (Continued)			
<u>Transition Services (04-05)</u>	84.027		
Atherton Community Schools		050490-TS	\$857
Bendle Public Schools		050490-TS	1,362
Carman-Ainsworth School District		050490-TS	2,887
Clio Area Schools		050490-TS	1,603
Davison Community Schools		050490-TS	2,414
Fenton Area Public Schools		050490-TS	2,047
Flint Community Schools		050490-TS	5,177
Flushing Community Schools		050490-TS	2,492
Genesee School District		050490-TS	1,030
Grand Blanc Community Schools		050490-TS	3,113
Kearsley Community Schools		050490-TS	1,623
Lake Fenton Community Schools		050490-TS	1,450
Lakeville Community Schools		050490-TS	1,563
Linden Community Schools		050490-TS	2,621
Montrose Community Schools		050490-TS	1,809
Mt. Morris Consolidated Schools		050490-TS	2,300
Swartz Creek Community Schools		050490-TS	2,048
Westwood Heights Schools		050490-TS	2,500
<u>Total Transition Services (04-05)</u>			<u>\$38,896</u>
<u>Capacity Building (04-05)</u>	84.027		
Flint Community Schools		050490-CB	35,879
<u>Secondary Regional Allocation (04-05)</u>	84.048		
Carman-Ainsworth School District		053520-5012-15	22,678
Clio Area Schools		053520-5012-15	15,000
Davison Community Schools		053520-5012-15	31,389
Fenton Area Public Schools		053520-5012-15	51,577
Flint Community Schools		053520-5012-15	853,272
Flushing Community Schools		053520-5012-15	29,702
Goodrich Area Schools		053520-5012-15	23,133
Grand Blanc Community Schools		053520-5012-15	50,424
Kearsley Community Schools		053520-5012-15	18,229
Montrose Community Schools		053520-5012-16	14,461
Mt. Morris Consolidated Schools		053520-5012-15	23,484
Shiawassee Regional Educational Authority		053520-5012-15	154,164
Swartz Creek Community Schools		053520-5012-15	15,000
Westwood Heights		053520-5012-15	15,000
<u>Total Secondary Regional Allocation (04-05)</u>			<u>\$1,317,513</u>



DUE TO SUBRECIPIENTS JULY 1, 2004	SUBRECIPIENT'S PRIOR YEAR EXPENDITURES	CURRENT YEAR CASH TRANSFERRED TO SUBRECIPIENTS	FEDERAL EXPENDITURES REPORTED BY SUBRECIPIENTS	DUE TO SUBRECIPIENTS JUNE 30, 2005
\$0	\$0	\$857	\$857	\$0
0	0	1,362	1,362	0
0	0	2,887	2,887	0
0	0	1,603	1,603	0
0	0	2,414	2,414	0
0	0	2,047	2,047	0
0	0	5,177	5,177	0
0	0	2,492	2,492	0
0	0	1,030	1,030	0
0	0	3,113	3,113	0
0	0	1,623	1,623	0
0	0	1,450	1,450	0
0	0	1,563	1,563	0
0	0	2,621	2,621	0
0	0	1,809	1,809	0
0	0	2,300	2,300	0
0	0	2,048	2,048	0
0	0	2,500	2,500	0
\$0	\$0	\$38,896	\$38,896	\$0
0	0	35,879	35,879	0
0	0	22,678	22,678	0
0	0	15,000	15,000	0
0	0	31,389	31,389	0
0	0	51,577	51,577	0
0	0	853,272	855,358	2,086
0	0	29,702	29,702	0
0	0	23,133	23,133	0
0	0	50,424	50,424	0
0	0	18,229	18,229	0
0	0	0	14,461	14,461
0	0	23,484	23,484	0
0	0	154,164	154,164	0
0	0	15,000	15,000	0
0	0	15,000	15,000	0
\$0	\$0	\$1,303,052	\$1,319,599	\$16,547

GENESEE INTERMEDIATE SCHOOL DISTRICT - FLINT, MICHIGAN  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS PROVIDED TO SUBRECIPIENTS  
FOR THE YEAR ENDED JUNE 30, 2005

FEDERAL GRANTOR/PROGRAM TITLE/ SUBRECIPIENT	FEDERAL CFDA NUMBER	SUBRECIPIENT PROJECT NUMBER	SUBRECIPIENT AWARD AMOUNT
<u>U.S. DEPARTMENT OF EDUCATION (Continued)</u>			
<u>IDEA Preschool Incentive (03-04)</u>	84.173		
Beecher School District		040460-0304	\$4,792
Bendle Public Schools		040460-0304	24,559
Burton Glen Charter Academy		040460-0304	2,995
Carman-Ainsworth School District		040460-0304	29,351
Center Academy		040460-0304	599
Clio Area Schools		040460-0304	26,356
Davison Community Schools		040460-0304	32,346
Fenton Area Public Schools		040460-0304	55,108
Flint Community Schools		040460-0304	138,369
Flushing Community Schools		040460-0304	17,371
Genesee Intermediate School District		040460-0304	77,007
Genesee School District		040460-0304	5,990
Goodrich Area Schools		040460-0304	7,787
International Academy		040460-0304	0
Grand Blanc Community Schools		040460-0304	29,950
International Academy		040460-0304	599
Kearsley Community Schools		040460-0304	16,173
LakeVille Community Schools		040460-0304	10,183
Linden Charter Academy		040460-0304	1,198
Montrose Community Schools		040460-0304	5,391
Mt Morris Consolidated Schools		040460-0304	31,747
Swartz Creek Community Schools		040460-0304	13,777
Westwood Heights		040460-0304	1,797
<u>Total IDEA Preschool Incentive (03-04)</u>			<u>\$533,445</u>
<u>IDEA Preschool Incentive (04-05)</u>	84.173		
Beecher School District		050460-0405	16,618
Bendle Public Schools		050460-0405	19,585
Carman-Ainsworth School District		050460-0405	30,861
Center Academy		050460-0405	5,935
Clio Area Schools		050460-0405	24,927
Davison Community Schools		050460-0405	33,829
Fenton Area Public Schools		050460-0405	56,382
Flint Community Schools		050460-0405	118,698
Flushing Community Schools		050460-0405	18,398
Genesee Intermediate School District		050460-0405	69,439
Genesee School District		050460-0405	3,561
Goodrich Area Schools		050460-0405	7,715
Grand Blanc Community Schools		050460-0405	30,861
International Academy		050460-0405	1,780
Kearsley Community Schools		050460-0405	14,244
LakeVille Community Schools		050460-0405	9,496
Montrose Community Schools		050460-0405	10,683
Mt. Morris Consolidated Schools		050460-0405	40,357
Northridge Academy		050460-0405	1,187
Swartz Creek Community Schools		050460-0405	12,463
Westwood Heights		050460-0405	5,341
<u>Total IDEA Preschool Incentive (04-05)</u>			<u>\$532,360</u>

DUE TO SUBRECIPIENTS JULY 1, 2004	SUBRECIPIENT'S PRIOR YEAR EXPENDITURES	CURRENT YEAR CASH TRANSFERRED TO SUBRECIPIENTS	FEDERAL EXPENDITURES REPORTED BY SUBRECIPIENTS	DUE TO SUBRECIPIENTS JUNE 30, 2005
\$4,792	\$4,792	\$4,792	\$0	\$0
0	24,559	0	0	0
1,233	2,995	1,233	0	0
6,247	29,351	6,247	0	0
599	599	599	0	0
11,535	26,356	11,535	0	0
0	32,346	0	0	0
0	55,108	0	0	0
37,279	128,918	46,730	9,451	0
1,606	17,371	1,606	0	0
24,096	74,096	27,007	2,911	0
5,990	5,990	5,990	0	0
0	7,787	0	0	0
0	0	0	0	0
0	29,950	0	0	0
0	0	599	599	0
3,270	16,173	3,270	0	0
6,404	10,183	6,404	0	0
212	1,198	212	0	0
5,391	5,391	5,391	0	0
2,362	31,747	2,362	0	0
0	13,777	0	0	0
0	1,797	0	0	0
<u>\$111,016</u>	<u>\$520,484</u>	<u>\$123,977</u>	<u>\$12,961</u>	<u>\$0</u>
0	0	16,618	16,618	0
0	0	19,585	19,585	0
0	0	29,699	30,861	1,162
0	0	5,935	5,935	0
0	0	24,927	24,927	0
0	0	27,670	27,670	0
0	0	56,382	56,382	0
0	0	118,698	118,698	0
0	0	18,398	18,398	0
0	0	0	69,439	69,439
0	0	3,561	3,561	0
0	0	7,715	7,715	0
0	0	30,861	30,861	0
0	0	1,780	1,780	0
0	0	9,168	14,244	5,076
0	0	9,496	9,496	0
0	0	0	9,203	9,203
0	0	25,954	40,357	14,403
0	0	0	1,081	1,081
0	0	12,463	12,463	0
0	0	0	5,341	5,341
<u>\$0</u>	<u>\$0</u>	<u>\$418,910</u>	<u>\$524,615</u>	<u>\$105,705</u>

GENESEE INTERMEDIATE SCHOOL DISTRICT - FLINT, MICHIGAN  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS PROVIDED TO SUBRECIPIENTS  
FOR THE YEAR ENDED JUNE 30, 2005

FEDERAL GRANTOR/PROGRAM TITLE/ SUBRECIPIENT	FEDERAL CFDA NUMBER	SUBRECIPIENT PROJECT NUMBER	SUBRECIPIENT AWARD AMOUNT
<u>U.S. DEPARTMENT OF EDUCATION (Continued)</u>			
<u>Special Education - Infant &amp; Toddlers Grant (03-04)</u>	84.181		
Easter Seals		041340-190	\$172,008
Flint Community Schools		041340-190	59,534
McLaren Regional Medical		041340-190	22,150
Mott Children's Health Center		041340-190	112,676
<u>Total Special Education - Infant &amp; Toddlers Grant (03-04)</u>			<u>\$366,368</u>
<u>Safe &amp; Drug Free Grants - C/O (03-04)</u>	84.186		
Almont Community Schools		042860-0304	813
Atherton Community Schools		042860-0304	1,525
Beecher School District		042860-0305	2,600
Bendle Public Schools		042860-0304	2,200
Byron Area Schools		042860-0304	4,400
Carman-Ainsworth School District		042860-0304	3,432
Corunna Public Schools		042860-0304	5,555
Durand Public Schools		042860-0304	2,791
Flushing Community Schools		042860-0304	6,379
Goodrich Area Schools		042860-0304	1,311
Imlay City		042860-0304	6,582
International Academy		042860-0304	1,571
Kearsley Community Schools		042860-0304	880
Laingsburg Schools		042860-0304	4,119
International Academy		042860-0304	0
Lake Fenton Community Schools		042860-0304	4,255
Lakeville Community Schools		042860-0304	2,600
Lapeer Intermediate School District		042860-0304	1,800
Linden Community Schools		042860-0304	1,020
Montrose Community Schools		042860-0304	1,410
Mt Morris Consolidated Schools		042860-0304	3,000
New Lothrop Schools		042860-0304	429
North Branch Schools		042860-0304	2,480
Perry Schools		042860-0304	1,102
St Johns Fenton		042860-0304	200
Swartz Creek Community Schools		042860-0304	1,807
<u>Total Safe &amp; Drug Free Grants - (03-04)</u>			<u>\$64,261</u>
<u>Safe &amp; Drug Free Grants - (04-05)</u>	84.186		
Carman-Ainsworth School District		052860-0405	2,825
Linden Community Schools		052860-0405	1,199
Mt Morris Consolidated Schools		052860-0405	1,709
New Lothrop Schools		052860-0406	1,516
<u>Total Safe &amp; Drug Free Grants - (04-05)</u>			<u>\$7,249</u>
<u>William F. Goodling Even Start Family Literacy Grant</u>			
<u>Even Start Family Literacy (03-04)</u>	84.213		
Carman-Ainsworth School District		030390/A0402IES	225,000

DUE TO SUBRECIPIENTS JULY 1, 2004	SUBRECIPIENT'S PRIOR YEAR EXPENDITURES	CURRENT YEAR CASH TRANSFERRED TO SUBRECIPIENTS	FEDERAL EXPENDITURES REPORTED BY SUBRECIPIENTS	DUE TO SUBRECIPIENTS JUNE 30, 2005
\$0	\$45,000	\$127,008	\$127,008	\$0
0	16,534	43,000	43,000	0
10,550	22,150	10,550	0	0
0	33,000	79,676	79,676	0
<u>\$10,550</u>	<u>\$116,684</u>	<u>\$260,234</u>	<u>\$249,684</u>	<u>\$0</u>
0	813	0	0	0
0	1,525	0	0	0
0	0	0	2,600	2,600
0	2,200	0	0	0
0	2,200	2,200	2,200	0
0	3,082	350	2,825	2,475
0	3,000	2,555	2,555	0
0	2,791	0	0	0
0	3,500	2,879	2,879	0
0	1,311	0	0	0
0	4,000	2,582	2,582	0
0	171	1,400	1,400	0
0	880	0	0	0
0	2,032	2,087	2,087	0
0	0	0	0	0
0	2,292	1,963	1,963	0
2,600	2,600	2,600	0	0
0	0	1,800	1,800	0
0	1,020	0	350	350
0	0	1,410	1,410	0
0	3,000	0	1,709	1,709
0	429	0	0	0
0	2,480	0	0	0
0	0	1,102	1,102	0
0	0	200	200	0
0	1,807	0	0	0
<u>\$2,600</u>	<u>\$41,133</u>	<u>\$23,128</u>	<u>\$27,662</u>	<u>\$7,134</u>
0	0	0	0	0
0	0	1,199	1,282	83
0	0	0	0	0
0	0	0	1,516	1,516
<u>\$0</u>	<u>\$0</u>	<u>\$1,199</u>	<u>\$2,798</u>	<u>\$1,599</u>
135,923	225,000	135,923	0	0

GENESEE INTERMEDIATE SCHOOL DISTRICT - FLINT, MICHIGAN  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS PROVIDED TO SUBRECIPIENTS  
FOR THE YEAR ENDED JUNE 30, 2005

FEDERAL GRANTOR/PROGRAM TITLE/ SUBRECIPIENT	FEDERAL CFDA NUMBER	SUBRECIPIENT PROJECT NUMBER	SUBRECIPIENT AWARD AMOUNT
<u>U.S. DEPARTMENT OF EDUCATION (Continued)</u>			
<u>William F. Goodling Even Start Family Literacy Grant</u>			
<u>Even Start Family Literacy (04-05)</u>	84.213		
Carman-Ainsworth School District		050390/B0538CES	\$79,658
<u>Career Technical Education Tech Prep - (04-05)</u>	84.243		
Flint Community Schools		053540-5014-15	15,602
Grand Blanc Community Schools		053540-5014-15	3,969
Mott Community College		053540-5014-15	47,156
<u>Total Career Technical Education Tech Prep - (04-05)</u>			<u>\$66,727</u>
<u>Entrepreneurship Curriculum Development - (04-05)</u>			
Shiawassee Regional Intermediate Schools	84.243	43270-50273	1,293.00
<u>General Fund - Innovative Education Program Strategies</u>			
<u>IASA Title V - (04-05)</u>	84.298		
Dukette Catholic School		050250-0405	547
Fairhaven Seventh Day		050250-0405	73
Faith Baptist School		050250-0405	2,039
Faithway Christian School		050250-0405	1,082
Genesee Academy		050250-0405	818
Holy Family		050250-0405	3,621
Holy Redeemer		050250-0405	866
Holy Rosary Catholic		050250-0405	866
Powers Catholic High School		050250-0405	4,370
St. John's - Fenton		050250-0405	2,724
St. John's Vienney Catholic School		050250-0405	1,805
St. Mark Lutheran School		050250-0405	404
St. Mary Queen of Angels		050250-0405	464
St. Paul Lutheran School		050250-0405	1,173
St. Pius X Catholic School		050250-0405	962
St. Roberts School		050250-0405	1,630
St. Thomas Moore Academy		050250-0405	753
Valley Christian Academy		050250-0405	927
Valley School		050250-0405	621
<u>Total IASA Title VI (04-05)</u>			<u>\$25,745</u>

DUE TO SUBRECIPIENTS JULY 1, 2004	SUBRECIPIENT'S PRIOR YEAR EXPENDITURES	CURRENT YEAR CASH TRANSFERRED TO SUBRECIPIENTS	FEDERAL EXPENDITURES REPORTED BY SUBRECIPIENTS	DUE TO SUBRECIPIENTS JUNE 30, 2005
\$0	\$0	\$79,658	\$225,000	\$145,342
0	0	15,602	17,543	1,941
0	0	3,969	3,969	0
0	0	13,794	47,156	33,362
<u>\$0</u>	<u>\$0</u>	<u>\$33,365</u>	<u>\$68,668</u>	<u>\$35,303</u>
0.00	0.00	0.00	1,293.00	1,293.00
0	0	547	547	0
0	0	73	73	0
0	0	2,039	2,039	0
0	0	1,082	1,082	0
0	0	818	818	0
0	0	3,621	3,621	0
0	0	866	866	0
0	0	866	866	0
0	0	4,370	4,370	0
0	0	2,724	2,724	0
0	0	1,805	1,805	0
0	0	404	404	0
0	0	464	464	0
0	0	1,173	1,173	0
0	0	962	962	0
0	0	1,630	1,630	0
0	0	753	753	0
0	0	927	927	0
0	0	621	621	0
<u>\$0</u>	<u>\$0</u>	<u>\$25,745</u>	<u>\$25,745</u>	<u>\$0</u>

GENESEE INTERMEDIATE SCHOOL DISTRICT - FLINT, MICHIGAN  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS PROVIDED TO SUBRECIPIENTS  
FOR THE YEAR ENDED JUNE 30, 2005

FEDERAL GRANTOR/PROGRAM TITLE/ SUBRECIPIENT	FEDERAL CFDA NUMBER	SUBRECIPIENT PROJECT NUMBER	SUBRECIPIENT AWARD AMOUNT
<u>U.S. DEPARTMENT OF EDUCATION (Continued)</u>			
<u>General Fund - Emergency Response Plans (03-04)</u>	87.184E		
Bendle Public Schools		Q184EO30509	\$5,000
Byron Schools		Q184EO30509	5,000
Carman-Ainsworth School District		Q184EO30509	5,000
Center Academy		Q184EO30509	5,000
Corunna Public Schools		Q184EO30509	5,000
Durand Area Schools		Q184EO30509	594
Fenton Community Schools		Q184EO30509	4,751
Flint Community Schools		Q184EO30509	5,000
Flushing Community Schools		Q184EO30510	5,000
Genesee School District		Q184EO30509	5,000
Goodrich Area Schools		Q184EO30509	5,000
Grand Blanc Community Schools		Q184EO30509	4,933
International Academy		Q184EO30509	5,000
Kearsley Community Schools		Q184EO30509	5,000
Lake Fenton Community Schools		Q184EO30509	5,000
LakeVille Community Schools		Q184EO30509	4,573
Linden Community Schools		Q184EO30509	4,961
Morrice Area Schools		Q184EO30510	4,791
Mt Morris Consolidated Schools		Q184EO30509	5,371
New Lothrop Schools		Q184EO30509	6,600
Shiawasee Intermediate School District		Q184EO30509	5,000
Swartz Creek Community Schools		Q184EO30509	5,000
Westwood Heights Schools		Q184EO30509	4,991
<u>Total General Fund - Emergency Response Plans (03-04)</u>			<u>\$111,565</u>
<u>TOTAL U.S. DEPARTMENT OF EDUCATION</u>			\$32,763,084
<u>U.S. DEPARTMENT OF LABOR</u>			
<u>WIA Title I Year Round Youth Services (04-05)</u>	17.259		
Atherton Community Schools		007-K-04	100
Bendle Public Schools		007-K-04	100
Carman-Ainsworth School District		007-K-04	50
Clio Community Schools		007-K-04	100
Davison Community Schools		007-K-04	300
Fenton Area Public Schools		007-K-04	200
Flushing Community Schools		007-K-04	100
Genesee School District		007-K-04	50
Grand Blanc Community Schools		007-K-04	200
Kearsley Community Schools		007-K-04	300
Lake Fenton Community Schools		007-K-04	150
LakeVille Community Schools		007-K-04	200
Linden Community Schools		007-K-04	200
Montrose Community Schools		007-K-04	150
Mt Morris Consolidated Schools		007-K-04	450
Swartz Creek Community Schools		007-K-04	300
<u>Total WIA Title I Year Round Youth Services (04-05)</u>			<u>\$2,950</u>



DUE TO SUBRECIPIENTS JULY 1, 2004	SUBRECIPIENT'S PRIOR YEAR EXPENDITURES	CURRENT YEAR CASH TRANSFERRED TO SUBRECIPIENTS	FEDERAL EXPENDITURES REPORTED BY SUBRECIPIENTS	DUE TO SUBRECIPIENTS JUNE 30, 2005
\$0	\$0	\$5,000	\$10,000	\$5,000
0	0	5,000	5,000	0
0	0	5,000	5,000	0
0	0	5,000	5,000	0
0	0	5,000	5,000	0
0	0	594	594	0
0	0	4,751	4,751	0
0	0	5,000	5,000	0
0	0	0	5,000	5,000
0	0	5,000	5,000	0
0	0	5,000	5,000	0
0	0	4,933	4,933	0
0	0	5,000	5,000	0
0	0	5,000	5,000	0
0	0	5,000	5,000	0
2,386	2,386	4,573	2,187	0
0	4,961	0	0	0
0	0	0	4,791	4,791
0	5,371	0	0	0
0	1,600	5,000	5,000	0
0	0	5,000	5,000	0
0	0	5,000	5,000	0
0	0	4,991	4,991	0
<u>\$2,386</u>	<u>\$14,318</u>	<u>\$89,842</u>	<u>\$102,247</u>	<u>\$14,791</u>
\$2,452,385	\$13,864,328	\$18,589,241	\$18,998,880	\$2,862,024
0	0	100	100	0
0	0	100	100	0
0	0	50	50	0
0	0	100	100	0
0	0	300	300	0
0	0	200	200	0
0	0	100	100	0
0	0	50	50	0
0	0	200	200	0
0	0	300	300	0
0	0	150	150	0
0	0	200	200	0
0	0	200	200	0
0	0	150	150	0
0	0	450	450	0
0	0	300	300	0
<u>\$0</u>	<u>\$0</u>	<u>\$2,950</u>	<u>\$2,950</u>	<u>\$0</u>

GENESEE INTERMEDIATE SCHOOL DISTRICT - FLINT, MICHIGAN  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS PROVIDED TO SUBRECIPIENTS  
FOR THE YEAR ENDED JUNE 30, 2005

FEDERAL GRANTOR/PROGRAM TITLE/ SUBRECIPIENT	FEDERAL CFDA NUMBER	SUBRECIPIENT PROJECT NUMBER	SUBRECIPIENT AWARD AMOUNT
<u>U.S. DEPARTMENT OF LABOR (Continued)</u>			
<u>WIA SYETP (04-05)</u>	17.259		
Genesee Area Skill Center		007-K-04	\$35,000
<u>TOTAL U.S. DEPARTMENT OF LABOR</u>			\$37,950
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>			
<u>Medical Assistance Program Title XIX</u>	93.778		
<u>Medicaid Outreach</u>			
Atherton Community Schools		N/A	8,735
Beecher School District		N/A	16,084
Bendle Public Schools		N/A	12,112
Bentley Community Schools		N/A	8,126
Carman-Ainsworth School District		N/A	43,702
Clio Area Schools		N/A	28,493
Davison Community Schools		N/A	42,467
Fenton Area Public Schools		N/A	30,044
Flint Community Schools		N/A	160,250
Flushing Community Schools		N/A	35,638
Genesee School District		N/A	8,246
Goodrich Area Schools		N/A	16,371
Grand Blanc Community Schools		N/A	58,815
Kearsley Community Schools		N/A	31,000
Lake Fenton Community Schools		N/A	12,625
Lakeville Community Schools		N/A	15,883
Linden Community Schools		N/A	24,708
Montrose Community Schools		N/A	14,115
Mt Morris Consolidated Schools		N/A	28,853
Swartz Creek Community Schools		N/A	34,011
Westwood Heights Schools		N/A	10,358
<u>TOTAL U.S. DEPARTMENT OF HEALTH &amp; HUMAN SERVICES</u>			\$640,636
<u>TOTAL SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS PROVIDED TO SUBRECIPIENTS</u>			\$33,441,670

DUE TO SUBRECIPIENTS JULY 1, 2004	SUBRECIPIENT'S PRIOR YEAR EXPENDITURES	CURRENT YEAR CASH TRANSFERRED TO SUBRECIPIENTS	FEDERAL EXPENDITURES REPORTED BY SUBRECIPIENTS	DUE TO SUBRECIPIENTS JUNE 30, 2005
\$0	\$0	\$35,000	\$35,000	\$0
\$0	\$0	\$37,950	\$37,950	\$0
0	0	8,735	8,735	0
0	0	16,084	16,084	0
0	0	12,112	12,112	0
0	0	8,126	8,126	0
0	0	43,702	43,702	0
0	0	28,493	28,493	0
0	0	42,467	42,467	0
0	0	30,044	30,044	0
0	0	160,250	160,250	0
0	0	35,638	35,638	0
0	0	8,246	8,246	0
0	0	16,371	16,371	0
0	0	58,815	58,815	0
0	0	31,000	31,000	0
0	0	12,625	12,625	0
0	0	15,883	15,883	0
0	0	24,708	24,708	0
0	0	14,115	14,115	0
0	0	28,853	28,853	0
0	0	34,011	34,011	0
0	0	10,358	10,358	0
\$0	\$0	\$640,636	\$640,636	\$0
\$2,452,385	\$13,864,328	\$19,267,827	\$19,677,466	\$2,862,024